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# The COMMERCIAL & FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

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## Our Reporter On "Governments"

Yields on short-term Governments—on issues due anywhere from 91 days to five years—are moving up. . . . Moving up fast and moving up with a steadiness that is fundamentally disturbing. . . . Not since November of 1936, have we had a movement comparable to that developing in the U. S. Government market today. . . . And it's about time we analyzed the situation, discovered exactly what are the forces behind it and how long they are likely to remain powerful. . . .

To begin with, let's compare the rates on short-terms today with those existing only a few months ago. . . .

**On Aug. 1, the date Secretary Morgenthau began selling tax-anticipation notes by the millions to corporations in all parts of the country, the Treasury ¾% notes due Dec. 15, 1945, were selling at 101½. . . .**

**At this writing, those same notes are quoted at 99¾, down 1¾ points—and what is more important, below the basic level of par. . . .**

That's a huge decline for a short-term issue over a comparatively minor period of time. . . It's especially noteworthy in that long-term Governments have held up well during the same months. . . .

There's the picture—expressed in the price trend on that one note. . . . You'll find similar movements have occurred in the shorter-term issues and a corresponding trend in the bill rate. . . .

Now let's find out why this movement has developed. . . .

**The Causes**

(1) Sales of tax-anticipation notes. . . . Countless corporations and institutions have switched from buying short-term Governments with their "surplus-but-on-demand" cash to purchasing tax-anticipation notes. . . . Instead of putting their tax funds and other ready cash in 91-day bills or in near-maturity Governments these investors are buying the notes designed for tax payments by the Treasury. . . . And they're getting close to a .50% return on them too—an important factor in their large purchases to date. . . .

Obviously, then, a significant part of the demand has been removed from the short-term Government market. . . .

**(2) The rumors which began a month ago, concerning Morgenthau's anxiety to eliminate the "right" values from maturing Treasury issues have had a profound effect on confidence in the worth of short-terms. . . . While nothing has been done to remove the "right" values yet, the fact is the probability of some action—even**

*(Continued on Page 1113)*

## OUR REPORTER'S REPORT

Unless the market experiences a fundamental change of major proportions within the near-term future there are indications now that new underwritings should develop some evidence of renewed vitality.

**Monday will bring the first of what promises to be a series of competitive sales of utility securities, when the Philadelphia Electric Company opens bids for its projected issue of $20,000,000 of thirty-year 2¾% bonds.**

The underwriting fraternity is awaiting the completion of this sale quite anxiously in view of the recent remarks of the heads of several of the larger insurance companies anent participation of such institutions in the competitive field.

**At least six banking groups have been organized to enter**

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## "JOTTINGS"

Look twice at the official estimates and three times at the conclusions being drawn by Washington on this "inflation gap" argument being used to soften up Congress for another 1941 tax bill.

Treasury estimates for the current fiscal year, against outgo of about $24,500,000,000, income of only $12,000,000,000. But, for instance:

The $12,000,000,000 doesn't include Social Security revenues. They should add another $2,000,000,000, figued this way: 5% (it all goes ultimately to the Treasury, because the States have to turn over their unemployment insurance revenues) on current payrolls of round $45,000,000,000 is $2,250,000,000, and by the end of the fiscal year the payroll base should be big enough to lift this figure enough to offset the outpayments which, in the case of unemployment benefits, are natually running very low.

Again. The $12,000,000,000 "inflation gap" for the current 1941-1942 fiscal year looks like a terrific threat—in future months. But the "gap" is already as wide open now as it will probably be next June. Treasury monthly bulletin shows a "net cash outgo" of about $1,000,000,000 monthly. Explanation is that though defense outlays will rise steadily, so will tax revenues, even from present schedules, because of (1) improving business; (2) beginning next year income tax payments will be on 1941 instead of on 1940 incomes, and (3) the new income tax rates become effective Jan. 1.

Again. The Treasury apparently figures for the following fiscal year outgo of round $38,000,000,000, income of round $13,000,000,000, "inflation gap," $25,000,000,000. But today's schedules, which will bring in only $12,500,000,000 **this** year, should bring in $18,000,000,000 next year.

Again. There's a social reform "nigger" in the woodpile. The heavier taxes will grind the faces of the middle class before they grind those of the poor. Note that the Treasury acts so genteel it will not put the heat on the defense bond program, yet so tough it wants a 15% withholding tax.

**In fact there's "social reform" in all three of the now correlated programs, of taxes, defense allocations, and price control. In taxes it's "hit the middle classes and corporations first"; in defense planning it's failure to use industry committees; in price control it's "exempt wages and crops."**

Watch for the Government soon

*(Continued on Page 1115)*

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## Elizabeth Hays With G. H. Walker & Co.

(Special to The Financial Chronicle)

ST. LOUIS, MO. — Elizabeth Hays, for many years President of Little and Hays Investing Company, is joining the staff of G. H. Walker & Co., Broadway and Locust, members of the New York Stock Exchange and other leading Exchanges.

It is understood that the Little & Hays Investing Company, one of the oldest investment houses in St. Louis, is liquidating.

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General Aniline & Film "A"
Marathon Paper Mills
Missouri-Kansas Pipe Line
Panhandle Eastern Pipe Line
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## Triumph Explosives Gets Navy "E" Pennant Volume & Profits Up--Outlook Seen Bright

The United States Navy has awarded to Triumph Explosives, Inc., the flag of the U. S. Navy Bureau of Ordnance and Navy "E" pennant. Triumph Explosives is the only company in the State of Maryland to receive such an award and it is understood that only 14 such awards have been made in the entire United States.

The Navy "E" is the highest of all honors in the Navy and is awarded to the uits which have earned sepcial recognition for excellence and efficiency in such work as engineering or gunnery. In the past the "E" has never been awarded to anyone except the personnel of the U. S. Navy. However, by special permission of President Roosevelt and Secretary of the Navy Frank Knox, the Bureau of Ordnance now awards the Navy "E" to private industrial plants as a recognition of their outstanding performance in naval ordnance production.

In a statement to stockholders, G. H. Kann, President of Triumph Explosives, Inc., said in part regarding the company's activities:

". . . . net sales for the year aggregated $3,081,443.35, resulting in a net profit after depreciation, extraordinary and non-recurring expenses, and Federal and State taxes (estimated), of $230,239.99. This compares with net sales of $1,428,732.01 and a net profit after all charges of $148,906.22 for the preceding fiscal year."

"The management estimates that sales for the fiscal year ending July 31, 1942, will be in the neighborhood of $10,000,000, with profits in proportion to the increased volume of business. The company anticipates the payment of extra dividends from time to time as increased profits are realized from the company's increased volume of business."

"Your company owns practically all of the common capital stock of Central Railway Signal Company, Inc., the oldest and most important company in the United States engaged in manufacturing and selling railroad fusees and torpedoes. We are pleased to report the completion of a very satisfactory year for this company, earnings for the year ended July 31, 1941, being $164,635.14, before Federal taxes. The company had total net sales of approximately $663,483.23. Since Aug. 1, 1941 to Oct. 11, 1941, the company's shipments and unfilled orders aggregate approximately $350,000."

Balance sheet, profit and loss and surplus statements of Triumph Explosives, Inc., will be given in detail in the Investment News Section of this Saturday's "Chronicle."

## Young Rebuts Stedman Re MOP Reorganization

Robert R. Young, Chairman of the Board of Alleghany Corp., took issue Nov. 17 with a letter sent to bondholders of Missouri Pacific RR. by John W. Stedman, of Prudential Life Insurance Co. of America, as Chairman of a protective committee for certain holders of Missouri Pacific bonds. Mr. Young said that Mr. Stedman's letter is inaccurate and is misleading to MOP bondholders.

In reply to Mr. Stedman's statement that J. S. Pyeatt, Chairman of Missouri Pacific, "is not and never has been an operating officer of the railroad itself," Mr. Young points out that he (Mr. Pyeatt) has for many years been an operating officer of important MOP subsidiaries—the Gulf Coast Lines and the Denver & Rio Grande.

Regarding Mr. Stedman's inference that Alleghany Corp. is principally interested in Missouri Pacific from the standpoint of controlling the company through its "worthless" common stock which, he alleges, Alleghany is trying to improve at the expense of bondholders, Mr. Young stated that Mr. Stedman failed to point out that Alleghany owns $11,152,000 principal amount of MOP convertible 5½% bonds, the interest requirements of which are fully covered by earnings this year, with $9,000,000 to spare.

[A digest of the statement issued by the Stedman Committee urging acceptance of the ICC reorganization plan was given in "Chronicle" Nov. 18, page 1101, and an outline of the letter of J. S. Pyeatt, opposing the plan, was given in the "Chronicle" Nov. 15, page 1055.]

## Julius C. Peter To Be Bennett, Smith Partner

DETROIT, MICH.—Julius C. Peter will become a partner in Bennett, Smith & Co., 640 Griswold Street, members of the New York and Detroit Stock Exchanges, as of Dec. 1st. Mr. Peter was formerly President of Peter, Keenan & Co. and Peter, Lander & Co.

*Trading Markets on*
The "MINNE" Situation
Minneapolis & St. Louis 6s 1932
Minneapolis & St. Louis 5s 1934
Minneapolis & St. Louis 4s 1949
Des Moines & Ft. Dodge 4s '35
Iowa Central 4s 1951
Iowa Central 5s 1938
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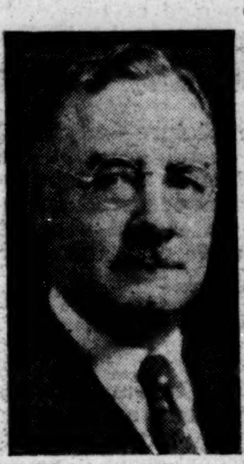
## Bond Club Of Phila. Makes Nominations

PHILADELPHIA, Pa. — Arthur S. Burgess, Biddle, Whelen & Co., has been nominated to succeed Edward C. Sayers, Smith, Barney & Co., as President of the Bond Club of Philadelphia.


Arthur S. Burgess

Other nominations were: Walter A. Schmidt, Schmidt, Poole & Co., for Vice-President; John Bogan, Jr., Sheridan, Bogan Co., Secretary; and William M. Claflin, Halsey, Stuart & Co., Inc., Treasurer.

The following nominations for the Board of Governors were also made: Edward C. Sayers, for a term to expire in 1942; Joseph G. Carpenter, Adams & Peck, and Elwood W. Miller, E. W. & R. C. Miller & Co., for terms to expire in 1944.

Members of the nominating committee were: Sydney P. Clark, E. W. Clark & Co., Chairman; Richard E. Norton, Hornblower & Weeks; Herbert V. B. Gallager, Yarnall & Co.; William Barclay, Jr., Barclay, Moore & Co.; and Clyde L. Paul, Paul & Co., Inc.

The annual meeting and election is slated for Dec. 12th.

## NY Security Analysts Announce Nov. Meeting

The November Luncheon Meeting of the New York Society of Security Analysts, Inc., will be held on Thursday, Nov. 27th, at 12:30 p. m., at Block Hall, 23 South William Street, New York City.

The meeting will be addressed by Q. Forrest Walker, for nearly twenty years economist of R. H. Macy & Co., and author of numerous studies on retailing and lecturer on investments at the American Institute of Banking. Mr. Walker will speak on "Current Problems in Retailing," and will discuss particularly the part price-fixing plays in retail trade during an inflationary epoch and questions concerning the effect of priorities on merchandising.

Reservations should be made through Miss Lennon, of the office of Shelby Cullom Davis, Program Chairman (Bowling Green 9-3789). Covers are $1.30 per person including tip, and members may bring guests.

## I. Newton Perry Joins Shields Co. In Chicago

(Special to The Financial Chronicle)

CHICAGO, ILL. — I. Newton Perry has become associated with Shields & Co., 135 South La Salle Street. Mr. Perry was formerly president of Perry, Spencer & Co. and I. Newton Perry & Co. and in the past he was associated with Field, Glore & Co.

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## Officers Elected By Bond Club of Denver

DENVER, COLO.—Ray Maxwell, Brown, Schlessman, Owen & Co., was elected President of the Bond Club of Denver at their recent meeting. Other officers named were Edward A. Hanifen, McCabe, Hanifen & Co., Vice-President; Arthur F. Bosworth, Bosworth, Chanute, Loughridge & Co., Secretary, and Phillip J. Clark, Amos C. Sudler & Co., Treasurer.

R. W. Maxwell

Harry W. Siple, Harris Upham & Co., Malcolm F. Roberts, Sidlo, Simons, Roberts & Co., J. Alfred Ritter, Jr., Garrett, Bromfield & Co., and Earl M. Scanlan, Earl M. Scanlan & Co., were elected directors.

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## Balt. Traders Appoint Nominating Committee

BALTIMORE, MD.—William H. Boggs, of Frank B. Cahn & Co., President of the Baltimore Security Traders Association, has announced the appointment of Committee to nominate officers for the coming year. The Committee is composed of Robert A. Warren, of Baker, Watts & Co., Chairman; Edward B. Freeman, of Lockwood, Peck & Co.; Howard E. Rein, of Equitable Trust Company; Harry M. Sheely, of Harry M. Sheely & Co.; and Jack Snyder, of W. E. Hutton & Co.

**Robert A. Warren**

The annual election of officers will be held Jan. 5th at the Chesapeake Club.

Mr. Boggs also announced that the Sixth Annual Winter Dinner of the Association will be held Friday, Jan. 9th.

## Insurance Course Offered

A course in Insurance Brokerage in preparation for the March Examination for a brokerage license is being offered at the Knights of Columbus School, 316 West 57th Street, commencing Dec. 1st.

This course was established in 1919. Recognized by the State Department of Insurance, the course qualifies the student for the examination. Under the supervision of Frank C. Stackpole, and associate lecturers, classes will be held on Monday, Wednesday and Friday evenings.

## Tomorrow's Markets Walter Whyte Says—

**The market is not saying anything to indicate any new development; seems on the contrary, to be about as confused as the traders; as to our list see details below.**

*By WALTER WHYTE*

Well, the market is back again to the lows of last week. At least that's where it is at this writing. True, some of the stocks are nicely above the lows but the gloom that has swept through the Street hasn't lifted on that account.

* * *

The big news that everybody feels is affecting the price level, is the fight between the bushy browed Lewis and President Roosevelt. Labor, everybody feels, is now out of hand and if conditions are to improve the Government must get up off it's haunches and do something. It's this something that nobody is very clear about.

* * *

"Send the Army in" is the cry that seems to get the most applause. I suppose that could be done. Still I fail to see how that would solve anything. You can't dig coal, or make steel, or hairpins, with bayonets or machine guns. In the final analysis the miners will still have to go in to get the coal out.

* * *

Another faction insists that we need more laws to make labor behave. "Make strikes in defense industries illegal and you've removed the cause." Again, that may be true. Still I doubt if you can force patriotism through legislation. I remember the Volstead Act too well and how much good it did to believe that legislation could change things overnight.

* * *

As a market analyst I don't suppose I have any right to

(Continued on Page 1116)

*We are interested in offerings of*
Columbus & Southern Ohio Electric Co.
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## Reorganized Ass'n Of Stock Exchange Firms Elects Officers and Governors For 1941-42

The Association of Stock Exchange Firms, as reorganized, held its first annual meeting on Nov. 17 and elected a new Board of Governors and a new Nominating Committee, adopting the recommendations made recently by the outgoing Nominating Committee.

The Board of Governors and Nominating Committee elected follow:

**BOARD OF GOVERNORS**

**To Serve For One Year**

Eugene Barry, Shields & Co., New York; Herbert F. Boynton F. S. Moseley & Co., New York Wm. B. Haffner, Wilcox & Co. New York; Gardner D. Stout Dominick & Dominick, New York; George H. Walker, Jr., G. H Walker & Co., New York; Wm G. Lerchen, Watling, Lerchen & Co., Detroit; Frank E. Baker Baker, Weeks & Harden, Philadelphia; John E. Parker, Auchincloss, Parker & Redpath, Washington; Wm. J. Fleming, A. E Masten & Co., Pittsburgh; Harry W. Sack, Strassburger & Co., San Francisco.

**To Serve For Two Years**

Sherman M. Bijur, H. Hentz & Co., New York; M. Livingston Delafield, Delafield & Delafield New York; George R. Kantzler J. E. Swan & Co., New York Glenn G. Munn, Paine, Webber & Co., New York; J. Gould Remick, Evans, Stillman & Co. New York; George Storer Baldwin, Burr, Gannett & Co., Boston; J. C. Bradford, J. C. Bradford & Co., Nashville; Wm Wymond Cabell, Branch, Cabell & Co., Richmond; Arthur F. Lindley, Clement, Curtis & Co. Chicago; J. Gates Williams, Francis, Bro. & Co., St. Louis.

**To Serve For Three Years**

Gilbert U. Burdett, Laidlaw & Co., New York; Harold T. Johnson, Jas. H. Oliphant & Co., New York; Thomas W. Phelps, F. I. duPont & Co. and Chisholm & Chapman, New York; Jacob C Stone, Asiel & Co., New York; Homer A. Vilas, Cyrus J. Lawrence & Sons, New York; D. J Bogardus, Bogardus, Frost & Banning, Los Angeles; Springer H. Brooks, Piper, Jaffray & Hopwood, Minneapolis; Malon C Courts, Courts & Co., Atlanta; Latham Murfey, Curtiss, House & Co., Cleveland; George E. Barnes Wayne Hummer & Co., Chicago.

**Nominating Committee**

Thomas R. Cox, Brinton & Co., New York; M. Donald Grant, Fahnestock & Co., New York; James M. Hutton, Jr., W. E. Hutton & Co., Cincinnati; John C. Legg, Jr., Mackubin, Legg & Co., Baltimore; Joseph A. Rushton Goodbody & Co., Chicago.

At a meeting on Nov. 18 the new Board of Governors elected James F. Burns, Jr., of Harris Upham & Co., as President of the Association. He succeeds J. Gould Remick, of Evans, Stillman & Co., who resigned on Oct. 7, but who continues as a Governor of the Association. Mr. Burns has served as Vice-President of the Association for the past year. J. C. Bradford, of J. C. Bradford & Co., Nashville, was elected First Vice-President of the reorganized organization; George E Barnes, of Wayne Hummer & Co., Chicago, was made Second Vice-President, and William B Haffner, of Wilcox & Co., New York, was named Treasurer. Mr. Bradford and Mr. Barnes assume newly created offices while Mr Haffner succeeds Harold T. Johnson, of Jas H. Oliphant & Co.

The Board on Nov. 18 devoted the entire day to a discussion of the Association's program of activities. Its next meeting will be held in Chicago on Jan. 13 Thereafter the Board will meet monthly.

A dinner for the new Governors of the Association was held the evening of Nov. 17 at the Racquet & Tennis Club, New York City. Among others attending were Emil Schram, President of the New York Stock Exchange; Howland S. Davis, Executive Vice-President of the Stock Exchange; Eugene Lokey, Vice-President of the Stock Exchange, and the members of the retiring Nominating Committee of the Association, John L. Clark, Russell E. Gardner, Jr., Elton Parks Richard Pigeon and Robert L Stott. The plan for the reorganization of the Association which was approved by the membership on Oct. 7, was described in these columns of Oct. 2, page 412.

*We are interested in the following Industrial Preferred Stocks:*
RATH PACKING CO. 5% Pfd.
HART-CARTER CO. Conv. Pfd.
ALTORFER BROS. CO. Conv. Pfd.
CHICAGO DAILY NEWS, INC. 5% Pfd.
UNITED PRINTERS & PUBLISHERS, INC. Pfd.
MARSHALL FIELD & CO. 1st Series 6% Pfd.
CONTINENTAL ROLL & STEEL FOUNDRY 7% Pfd.
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## Seward To Represent John Nuveen In Phila.

PHILADELPHIA, PA.—C. Carroll Seward has been appointed to represent John Nuveen & Co. in Philadelphia, it is announced. Mr. Seward was formerly with Stone & Webster and Blodget, Inc., and has been in the bond field in Philadelphia for the past 13 years. Offices are being opened in the Fidelity-Philadelphia Trust Building, 123 Broad Street.

John Nuveen & Co., established in 1898, is one of the oldest municipal bond houses in the Middle West. The firm also has representatives in New York, Miami, Cincinnati, Des Moines, St. Paul, Kansas City, Milwaukee and in the State of Michigan.

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## DIVIDEND NOTICES

### THE ALABAMA GREAT SOUTHERN RAILROAD COMPANY

New York, N. Y., November 17, 1941.

A dividend of $6. per share on the Preferred Stock of The Alabama Great Southern Railroad Company has been declared payable December 23, 1941, to stockholders of record at the close of business November 29, 1941.

A dividend of $6. per share on the Ordinary Stock has been declared payable December 23, 1941, to stockholders of record at the close of business November 29, 1941.

C. E. A. McCARTHY,
Vice-President and Secretary.

### IMPERIAL OIL LIMITED

**Notice to Shareholders and the Holders of Share Warrants**

NOTICE is hereby given that a semi-annual dividend of twenty-five cents (25c.) per share in Canadian currency, has been declared, and that the same will be payable on or after the 1st day of December, 1941, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of coupons No. 56 at:

THE ROYAL BANK OF CANADA
King and Church Streets Branch, Toronto, Canada.

The payment to Shareholders of record at the close of business on the 17th day of November, 1941, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 28th day of November, 1941.

The transfer books will be closed from the 18th day of November to the 29th day of November, 1941, inclusive and no Bearer Share Warrants will be "split" during that period.

The Income Tax Act of the Dominion of Canada provides that a tax of 15% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada. The tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the tax when paying coupons to or for account of non-resident shareholders. Ownership Certificates must accompany all dividend coupons presented for payment by residents of Canada.

Shareholders resident in the United States are advised that a credit for the Canadian tax withheld at source is allowable against the tax shown on their United States Federal Income tax return. In order to claim such credit the United States tax authorities require evidence of the deduction of said tax, for which purpose Ownership Certificates (Form No. 601) must be completed in duplicate and the Bank cashing the coupons will endorse both copies with a certificate relative to the deduction and payment of the tax and return one Certificate to the shareholder. If Forms No. 601 are not available at local United States banks, they can be secured from the Company's office or the Royal Bank of Canada, Toronto.

Under existing Canadian Regulations:

(a) Payment of this dividend to residents of enemy or enemy occupied countries is prohibited.

(b) Payment thereof to residents of other portions of Continental Europe or of the French Empire and China and Japan is prohibited but such residents may direct the deposit to their credit in a Canadian Bank of all amounts payable to them.

(c) Other non-residents of Canada may convert this dividend at current Canadian Foreign Exchange Control rates into such foreign currencies as are permitted by the General Regulations of the Canadian Foreign Exchange Control Board. Such conversion can only be effected through an Authorized Dealer, i.e., a Canadian Branch of any Canadian Chartered Bank.

Shareholders residing in the United States may convert the amount of the current dividend into United States currency at the official Canadian Foreign Exchange Control rate by sending at their own risk and expense, coupons, or dividend cheques properly endorsed, to The Agency of The Royal Bank of Canada, 68 William Street, New York City, which will accept them for collection through an authorized dealer, or direct to any authorized dealer of the Canadian Foreign Exchange Control Board.

Shareholders residing in countries other than the United States to whom payment is not prohibited as above noted may convert the amount of the current dividend by sending at their own risk and expense, coupons, or dividend cheques properly endorsed, to The Royal Bank of Canada, King and Church Street Branch, Toronto, Canada, or to any other authorized dealer or to The Agency of The Royal Bank of Canada, 68 William Street, New York City, U. S. A., with a request for a draft in such foreign currency as is permitted in settlement of same, but they should first satisfy themselves that this action is not prohibited by the Foreign Exchange Control Regulations of the country in which they reside.

By Order of the Board,
W. J. WHITLING,
Secretary.

56 Church Street,
Toronto 2, Canada.
12th November, 1941.

### UNDERWOOD ELLIOTT FISHER COMPANY

The Board of Directors at a meeting held November 13, 1941, declared a dividend for the fourth quarter of the year 1941 of $1.25 a share on the Common Stock of Underwood Elliott Fisher Company, payable December 15, 1941, to stockholders of record at the close of business December 1, 1941.

Transfer books will not be closed.

C. S. DUNCAN, Treasurer.

### TEXAS GULF SULPHUR COMPANY

The Board of Directors has declared a dividend of 50 cents per share and an additional dividend of 50 cents per share on the Company's capital stock, payable December 15, 1941, to stockholders of record at the close of business December 1, 1941.

H. F. J. KNOBLOCH, Treasurer.

## DIVIDEND NOTICES

### Bayuk Cigars Inc.

A dividend of thirty-seven and one-half cents (37½¢) per share on the Common Stock of this Corporation was declared payable Dec. 15, 1941, to stockholders of record Nov. 30, 1941.

Checks will be mailed.

John A. Snyder
TREASURER

Philadelphia, Pa.
Nov. 14, 1941

**MAKERS OF PHILLIES**

### ELECTRIC BOAT COMPANY

33 Pine Street
New York, N. Y.

The Board of Directors has this day declared a dividend of fifty cents per share on the stock of the Company, payable December 10, 1941 to stockholders of record at the close of business November 26, 1941.

Checks will be mailed by Bankers Trust Co., N. Y., Transfer Agent.

HENRY R. CARSE, President
November 12, 1941

### INTERNATIONAL SALT COMPANY

475 Fifth Avenue, New York, N. Y.

A dividend of ONE DOLLAR and FIFTY CENTS a share has been declared on the capital stock of this Company, payable December 15, 1941, to stockholders of record at the close of business on December 1, 1941. The stock transfer books of the Company will not be closed.

HERVEY J. OSBORN, Secretary.

### KENNECOTT COPPER CORPORATION

120 Broadway, New York City
November 18, 1941.

A cash distribution of twenty-five cents (25c) a share and a special cash distribution of one dollar ($1.00) a share have today been declared by Kennecott Copper Corporation, payable on December 24, 1941 to stockholders of record at the close of business on November 28, 1941.

A. S. CHEROUNY, *Secretary.*

### OFFICE OF NORTHERN STATES POWER COMPANY (WISCONSIN)

Chicago, Illinois

The Board of Directors of Northern States Power Company (Wisconsin), at a meeting held November 12, 1941, declared a dividend of one and one-quarter per cent (1¼%) per share on the Preferred Stock of the Company, payable by check December 1, 1941, to stockholders of record as of the close of business November 20, 1941, for the quarter ending November 30, 1941.

N. H. BUCKSTAFF, Treasurer.

### The United Gas and Electric Corporation

One Exchange Place, Jersey City, New Jersey
November 19, 1941.

The Board of Directors this day declared a quarterly dividend of one and three quarters per cent (1¾%) on the Preferred Stock of the Corporation, payable December 20, 1941 to stockholders of record December 5, 1941.

J. A. McKENNA, Treasurer.

### American Woolen COMPANY

INCORPORATED

225 FOURTH AVE., NEW YORK, N.Y.

AT a meeting of the Board of Directors of the American Woolen Company held today, a dividend on the Preferred Stock of $5.00 a share on account of arrears was declared, payable December 15, 1941 to stockholders of record December 1, 1941. Transfer books will not close. Checks will be mailed.

F. S. CONNETT,
*Treasurer*

November 19, 1941.

### THE WESTERN UNION TELEGRAPH CO.

New York, Nov. 10, 1941
DIVIDEND NO. 259

A dividend of $1.00 a share on the capital stock of this company has been declared, payable December 15, 1941, to stockholders of record at the close of business on November 21, 1941.

G. K. Huntington, Treasurer.

UGI

**The current quarterly dividend of $1.25** a share on $5 Dividend Preferred Stock and a **dividend of 15 cents** a share on Common Stock have been declared, payable December 23, 1941, to respective holders of record November 28, 1941.

**THE UNITED GAS IMPROVEMENT CO.**

I. W. MORRIS Treasurer
October 28, 1941 Philadelphia, Pa.

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# PERSONNEL ITEMS

***If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.***

(Special to The Financial Chronicle)
BOSTON, MASS.—**L. Barratt Davison** has been added to the staff of **F. L. Putnam & Co.,** 77 Franklin Street.

(Special to The Financial Chronicle)
BRIDGEPORT, CONN. — **Rudolph B. Falk,** previously with Hincks Bros. & Co., Inc., is now connected with **Gaynor, Clemence & Company, Inc.,** 137 John Street.

(Special to The Financial Chronicle)
CHICAGO, ILL. — **Joseph P. Edwards,** for several years with John J. Seerley & Co., has become associated with **Alexander & Co., Inc.,** 141 West Jackson Boulevard.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**Leroy Nelson Anderson** has rejoined **Lamson Bros. & Co.,** 141 West Jackson Boulevard. Mr. Anderson has recently been serving in the U. S. Army.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**Leo F. McNaney** has joined the staff of **M. B. Vick & Company,** 120 South La Salle Street. Mr. McNaney was formerly with Otis & Co., and prior thereto was for a number of years with C. W. McNear & Co.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**Joseph Ellison** is now associated with **Arthur H. Wyatt,** whose main office is in the Guaranty Building, Indianapolis, Ind.

(Special to The Financial Chronicle)
COLUMBUS, GA.—**F. C. Jones, Jr.,** and **A. C. Walker** are connected with **Merrill Lynch, Pierce, Fenner & Beane,** 101 Twelfth Street.

(Special to The Financial Chronicle)
DETROIT, MICH.—**Harold X. Schreder,** previously with M. A. Manley & Co., has become affiliated with **Van Grant & Co.,** Penobscot Building.

(Special to The Financial Chronicle)
DETROIT, MICH.—**William E. Shoemaker** has become associated with **C. G. McDonald & Co.,** Buhl Building. Mr. Shoemaker was formerly with A. M. Kidder & Co., and prior thereto was Associate Manager of the local office of W. E. Hutton & Co. and Fenner & Beane.

(Special to The Financial Chronicle)
DETROIT, MICH. — **Samuel Walter Heavenrich,** previously with A. M. Kidder & Co., is now with **Wm. C. Roney & Co.,** Union Guardian Building.

(Special to The Financial Chronicle)
DURHAM, N. C.—**Lewis Reading Smith** has become connected with **First Securities Corp.,** 111 Corcoran Street.

(Special to The Financial Chronicle)
GALESBURG, ILL. — **Chester Arthur Wickersham,** formerly local representative for John J. Seerley & Co., is now associated with **Alexander & Co., Inc.,** whose main office is located at 141 West Jackson Boulevard, Chicago, Ill.

(Special to The Financial Chronicle)
GREENWICH, CONN.—**Robert Craig VanDeventer** has become associated with **Francis I. duPont & Co.** and **Chisholm & Chapman,** 45 East Putnam Avenue. Mr. VanDeventer was previously affiliated with the Bridgeport office of A. M. Kidder & Co., and prior thereto was Darien, Conn., Manager for Josephthal & Co., and Fellowes Davis & Co.

(Special to The Financial Chronicle)
INDIANAPOLIS, IND. — **Walter Ealy McCleary** is now connected with **Arthur H. Wyatt,** Guaranty Building.

*(Continued on Page 1112)*

### AMERICAN CYANAMID COMPANY

**Special Dividend on Common Stock**

The Board of Directors of American Cyanamid Company, on November 18, 1941, declared a special dividend of one dollar and twenty-five cents ($1.25) per share upon the Class "A" Common Stock and Class "B" Common Stock, payable on December 17, 1941, to stockholders of record at the close of business on December 1, 1941. The dividend is payable in shares of the Company's 5% Cumulative Preference Stock at the par value thereof, to wit: ten dollars ($10) per share, in the ratio of one share of such Preference Stock to each eight shares of the Class "A" Common Stock and/or Class "B" Common Stock, with the proviso that no scrip or fractional shares representing the 5% Cumulative Preference Stock will be issued by the Company, but in lieu and to the extent thereof the said dividend will be paid in cash.

**Cash Dividend on 5% Cumulative Preference Stock**

The Board of Directors of American Cyanamid Company, on November 18, 1941, declared a quarterly dividend of 1¼% ($.125) per share on the outstanding shares of the 5% Cumulative Preference Stock of the Company, payable January 2, 1942, to the holders of such stock of record at the close of business December 12, 1941.

**Cash Dividend on Common Stock**

The Board of Directors of American Cyanamid Company, on November 18, 1941, declared a quarterly dividend of fifteen cents (15¢) per share on the outstanding shares of the Class "A" and Class "B" Common Stock of the Company, payable January 2, 1942, to the holders of such stock of record at the close of business December 12, 1941.

W. P. STURTEVANT, *Secretary.*

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## Julian C. Stanley To Be Mitchell Hutchins Partner

Julian C. Stanley will become a partner in Mitchell, Hutchins & Co., 1 Wall Street, New York City, members of the New York Stock Exchange. Mr. Stanley was formerly a partner in Stanley, Janeway & Howe and White & Stanley.

Mitchell, Hutchins & Co.'s main office is located at 231 South La Salle Street, Chicago.

## Hollands To Head SEC Investment Co. Division

The SEC has announced the appointment of John Hollands as Director of the Investment Company Division. Mr. Hollands has been Acting Director of the Division since July of this year.

The Commission also announced the appointment of Harry Heller as Assistant Director of the Division. Mr. Heller has been an attorney with the Investment Company Division since its formation, 1940, prior to which time he was an attorney on the staff which made the study of investment trusts.

The new Director before his association with the Commission in 1937 was an attorney for the Petroleum Administrative Board and the NRA. He was engaged in the private practice of law in Buffalo and Canandaigua, New York. Mr. Heller is a member of the New York State Bar, and prior to his coming to the Commission in 1935, was engaged in the private practice of law in New York City.

## Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: High—34 5/6, low—14¾, last—33⅛.

These figures now include New York, New Haven & Hartford Convertible 6s of 1948, which take the place of Spokane International 5s of 1955 on Pflugfelder, Bampton & Rust's list from which the Index is compiled.

ERIE RAILROAD

An analysis of the Company and new securities will be sent upon request.

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## SEC Appoints Paul Rowen Administrator In Boston

The SEC announced that Paul R. Rowen, of Boston, Massachusetts, has been appointed Regional Administrator of the Boston Regional Office of the Commission. Mr. Rowen succeeds Joseph P. Rooney, who has resigned to become Assistant United States Attorney in Boston.

Mr. Rowen was on the staff of the SEC from May, 1936, until January, 1940, when he resigned to engage in the private practice of law. In 1934 Mr. Rowen was appointed Assistant District Attorney of the Commonwealth of Massachusetts. He later became Regional Litigation Attorney for the NRA, and in 1935 was made Consulant for the Federal Coordinator of Transportation. While he was on the staff of the Commission, Mr. Rowen was a member of the Enforcement Section of the Legal Division.

*Have you become an owner of*

MISSOURI PACIFIC

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If so, your address may not be known and you may be unable to vote either to reject or accept the proposed reorganization plan. Tear out this notice, send it to the Missouri Pacific Railroad Company, and we will see that you receive a ballot.

We will also send you one of our letters explaining why we feel you should reject the plan which we believe has been made unworkable by the 1941 Revenue Act, and which has been made obsolete by higher earnings. A plan can be prepared which will transmit our earnings to our security holders instead of paying them out in taxes.

If you wish, we will send a representative of the Missouri Pacific Railroad to see you, and explain the situation fully.

*By order of the Board of Directors*
J. S. PYEATT, *Chairman*
MISSOURI PACIFIC RAILROAD COMPANY

*If You Don't Vote, A Minority Can Bind You to Accept This Plan*

Lists of our present bondholders are so incomplete that only a fraction will get ballots—unless you write for one. But the law provides that two-thirds of those voting—no matter how few—will bind all holders.

Don't lose your vote—write us at once.

MISSOURI PACIFIC RAILROAD COMPANY
P. O. Box 529, St. Louis, Missouri

*Your name*____________________

*Your address*____________________

*Name and amount of securities held*__________

*If you want a representative to call on you, check here* ☐

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RAILROAD REORGANIZATION SECURITIES

## RAILROAD SECURITIES

One outstanding characteristic of the current crop of railroad reorganizations has been the tendency to do away with underlying divisional liens in favor of a single blanket mortgage. The practice in past receivership proceedings was to leave mortgage bonds of established earning power undisturbed (except perhaps for an extension of maturity), thus assuring continuation of the strong protection originally enjoyed by the bondholder in the event of future capital revisions. In the new reorganization processes, the rights of holders of well situated liens have been recognized, but largely through the medium of par for par exchange for new system first mortgage bonds.

Cases in point, where the full claim for principal and any unpaid interest was met in new fixed interest bonds, include the Erie & Jersey and Genesee River liens of Erie; the St. Louis, Iron Mountain & Southern bonds of Missouri Pacific; Housatonic and Central New England mortgages of "New Haven" and the Detroit & Chicago Extension of Wabash. With this narrowing of the divisional lien field, those issues that are to retain their mortgage position have been attracting increasing investor interest. The bonds that have been able to weather the drastic scale-downs called for by current ICC reorganizations are naturally the cream of the crop.

**In a capitalization which is itself considered virtually impervious to depression influences, the remaining divisionals have a commanding position, and in quality rank with the investment liens of the best of the still solvent carriers. The latter group, with coupons of 4% or less, sell at premiums running to 20 points while the reorganized divisionals are available at discounts running to 20 points. Most of these issues are small, but bonds have been available.**

One market factor is that some of the issues have passed their maturity and, while interest payments have been continued, a default has occurred. This eliminates many regulated institutions as potential buyers. It does not deter individual investors, however, and as bonds become available there has been switching from bonds such as "Burlington" Generals and Illinois Divisions, "Atchison" Adjustments and "Bangor" 1st 5s, where a once prime investment standing has apparently been permanently impaired.

The old divisionals being bought include the Choctaw & Memphis 1st 5s, 1949 of the "Rock Island" in the low 90s, and the Sioux City & Pacific 1st 3½s, 1936 and Des Plaines Valley 1st 4½s, 1947 of "North Western". Both of these "North Western" bonds, selling in the 80s, are to be extended to 1969 at 4%. The two Kansas City, Memphis & Birmingham issues of 'Frisco are being extended at 4% to 1970 and are quoted in the 80s while the Naugatuck 4s, 1954 of "New Haven" have sold below 90. Aside from the demonstrated investment worth of the bonds there is some thought that many of these bonds may not actually be outstanding after the reorganizations are consummated. The roads concerned are building up large cash balances in the current period of high earnings and it is felt in many quarters that part of this cash may be utilized to retire the small divisionals before, or at the time of, reorganization.

In a slightly different category, but also attracting increasing investor interest, are the Missouri Pacific 3rd Extended 4s, 1938 and the Pacific Railroad of Missouri bonds which have recently moved up close to 90. These bonds are not to remain undisturbed as to lien, but do receive special treatment; they are not asked to accept a long term blanket mortgage that might be sensitive to the vagaries of fortune many years hence. They are to receive a collateral issue to mature Jan. 1, 1950, and secured better than par for par by the new blanket mortgage. Buyers of these issues have been impressed by the comments of the Commission in suggesting their treatment. It was stated that interest on these bonds has been fully earned and regularly paid even during the trusteeship, and that with earnings so far in excess of interest charges "there appears to be no doubt that these obligations, matured in 1938, are entitled to cash payment, or as near to its equivalent as is practicable."

The Commission, therefore, provided that the new collateral bonds to be received should carry a coupon of 3½% "or such other rate as may in the opinion of the reorganization managers be necessary to permit the sale of these

*(Continued on Page 1111)*

Railroad Reorganization Securities
*(When Issued)*

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NOTICE OF REDEMPTION

West Virginia Pulp and Paper Company

**First Mortgage Bonds, 3% Series due 1954.**

NOTICE IS HEREBY GIVEN that pursuant to the provisions of Article Three of the First Mortgage, dated as of December 1, 1939, from West Virginia Pulp and Paper Company to Irving Trust Company, as Trustee, the undersigned has drawn by lot and will redeem by operation of the sinking fund on December 1, 1941, at its principal office, No. One Wall Street, City of New York, $220,000. principal amount of West Virginia Pulp and Paper Company First Mortgage Bonds, 3% Series due 1954, at 101% of the principal sum thereof, together with accrued interest to December 1, 1941, the Bonds so drawn being identified by number, as follows:

M 6 M 11 M 15 M 34 M 40 M 78 M 81 M 96 M 102 M 173 M 246 M 320 M 321 M 333 M 361 M 549 M 628 M 634 M 668 M 675 M 730 M 734 M 783 M 801 M 819 M 836 M 851 M 860 M 917 M1027 M1030 M1143 M1190 M1250 M1263 M1294 M1308

M1320 M1362 M1363 M1396 M1433 M1476 M1517 M1527 M1538 M1617 M1667 M1747 M1753 M1[illegible]15 M1821 M1839 M1840 M1875 M1911 M1975 M2034 M2045 M2054 M2082 M2159 M2217 M2241 M2296 M2420 M2425 M2516 M2558 M2701 M2742 M2757 M2762 M2776

M2790 M2882 M2915 M2937 M2993 M3003 M3031 M3032 M3079 M3211 M3239 M3243 M3288 M3305 M3330 M3346 M3364 M3395 M3416 M3446 M3510 M3516 M3522 M3546 M3594 M3631 M3659 M3677 M3682 M3696 M3737 M3787 M3796 M3847 M3881 M3899 M3913

M3923 M3948 M3951 M3952 M4010 M4052 M4114 M4159 M4218 M4290 M4343 M4446 M4500 M4555 M4586 M4587 M4588 M4592 M4640 M4716 M4773 M4866 M4912 M4927 M4970 M5000 M5010 M5025 M5040 M5059 M5099 M5132 M5146 M5152 M5167 M5175 M5224

M5254 M5262 M5286 M5288 M5303 M5304 M5364 M5383 M5412 M5416 M5423 M5429 M5443 M5498 M5551 M5572 M5657 M5886 M5950 M6002 M6012 M6044 M6066 M6078 M6159 M6243 M6394 M6395 M6411 M6419 M6495 M6538 M6545 M6576 M6617 M6654 M6656

M6657 M6678 M6758 M6771 M6772 M6789 M6955 M6972 M7092 M7218 M7317 M7369 M7396 M7433 M7482 M7558 M7575 M7597 M7637 M7653 M7674 M7681 M7708 M7732 M7793 M7796 M7825 M7848 M7850 M7857 M7871 M7874 M7919 M7933 M8000

The designated Bonds should be surrendered on or after December 1, 1941 at the Corporate Trust Department of the undersigned in bearer form or, if registered, accompanied by duly executed instruments of transfer, with all coupons thereto attached maturing after December 1, 1941. Coupons maturing on December 1, 1941 should be detached and presented for payment in the usual manner. After December 1, 1941, said Bonds shall cease to bear interest and shall cease to be entitled to the security of the mortgaged property, and the appurtenant coupons maturing subsequent thereto shall be void.

IRVING TRUST COMPANY, as Trustee,
By F. G. HERBST, Vice President.

Dated: New York, October 25, 1941.

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(L. A. Gibbs, Manager Trading Department)

# Bank and Insurance Stocks

## This Week — Bank Stocks

Announcement by six New York City banks of "cost of living" bonuses, coming at this time of higher taxes, raises the whole question of relationship between bank earnings and expenses, and whether these increased costs might wipe out the recent modest improvement in earnings and possibly endanger dividends.

A typical bonus plan, that of the Federal Reserve Bank of New York, calls for 6% on all salaries of $1,800 or less, and 6% on first $1,800 of salaries up to $6,000. With its 2,700 employees and $5,000,000 annual payroll, the Federal will incur an estimated $250,000 increase in salaries, or 5%, a possibly indicative experience for leading New York banks. This would mean a $4,250,000 increase in payroll of New York City member banks, based on 1940 salaries of $85,000,000.

Banks for the first time this year will be subject to a surtax of 6% on the first $25,000 and 7% on balance of "surtax net income"—which is net income minus credit for corporate dividends but including interest on U. S. obligations. Assuming an average return of 1½% on present $6,967,000,000 total volume of Governments of New York City member banks, surtax would take about $7,300,000, compared with 1940 tax bill (including real estate taxes) of $17,500,000.

But, on the other hand, earning assets have expanded $2,400,000,000 during the past year. With a huge defense financing program in the offing, earning assets should increase even more substantially in the future. New York City banks' 1940 gross earnings were about 2.4% on Dec. 31, 1940, earning assets, but assuming just 2% on the past year's expansion, improvement of $48,000,000 in gross earnings is indicated. Deducting 1940 scale of expenses of 66% of gross, the resultant net improvement would be $16,000,000, compared with 1941 increases in salaries and taxes of $11,500,000 as above, and leaving margin for other possible increases in costs.

**This is purely hypothetical figuring, of course, but is believed to be conservative, based on 1940 composite income account of New York City member banks reproduced below. If correct, it would indicate that stockholders may expect the pace of improvement in bank earnings to be slowed down but not stopped by the increases in salaries and taxes.**

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With 1940 net operating earnings of $89,100,000 and net profits (after adjustments) of $82,800,000, compared to total dividends of $69,900,000, New York City banks' dividends are 87% of net profits, a reasonable coverage in conjunction with the indicated modest increase in net earnings even after higher costs. These earnings have been achieved despite conservative voluntary policy limiting invested funds to only 54% of available funds.

Because of the perspective it gives to current increases in costs, the following composite 1940 income account of New York City member banks should prove of interest to dealers in answering questions about banks' ability to absorb higher costs:

| | Amount (000 omitted) | % |
|---|---|---|
| Gross earnings (total) | $259,536 | 100.0 |
| Int. and disc. on loans | 81,921 | 35.5 |
| Int. and divs. on secs. | 99,555 | 38.4 |
| Trust department | 35,386 | 13.6 |
| All other earnings | 42,674 | 16.5 |
| Expenses (total) | 170,440 | 65.7 |
| Salaries and wages | 85,294 | 32.9 |
| Interest on deposits | 3,917 | 1.5 |
| Real estate taxes | 6,904 | 2.7 |
| Other taxes | 10,623 | 4.1 |
| All other expenses | 63,702 | 24.5 |
| Net current earnings | 89,096 | 34.3 |
| Net of recoveries, profits on secur., etc., vs. losses and depreciation | dr6,261 | dr2.4 |
| Net profits | 82,835 | 31.9 |
| Cash dividends | 69,974 | |

The outstanding feature of New York bank costs is that the bulk of costs are **controllable**, not uncontrollable. This means that most increases in costs will **follow**, not precede, increases in gross earnings and can be held down to within the improved gross, thus preserving operating profit margins.

With the likelihood that the combination of low operating ratio and rising trend of gross earnings should exceed increased costs, present dividend scales should be reasonably secure. Under the circumstances, present yields of 4% to nearly 8% on leading bank stocks, average for 16 leading issues being over 5% should prove attractive for those investors seeking conservative investments affording good yields.

Besides this reasonable operating coverage of dividends, there are also financial condition factors making for stability of present dividend scales. New York City banks as a group have low leverage ratios of earning assets and deposits to stated capital funds, which do not include large "hidden" reserves in the form of over-provided valuation reserves which understate value of assets. Currently, the New York leverage ratios are 8:1 on earning assets and 10:1 on deposits, which are in line with the average for all member banks but which compare with Chicago (the other Central Reserve city) ratios of 9½:1 on earning assets and 13.7:1 on deposits.

**With reserves for loss and doubtful items more than fully provided, surplus and undivided profits of 1.9 times capital, averaged leverage ratios and dividend scales taking less than 90% of net profits, New York City banks' financial condition can well afford present dividend scales.**

It would not appear feasible therefore, to consider lower dividends as a means of "ploughing back" larger capital funds to support expected further expansion in earning assets and deposits in the future: (1) dividends are moderate; (2) reducing them would impair stockholder support for any raising of new capital by rights; (3) at best, anyhow, a reasonable reduction in dividends would not furnish important additions to capital funds.

Both operating and financial factors, therefore, should justify continuance of present moderate dividend scales.

# WHISPERINGS

**Thomas A. Akin, trader for Akin-Lambert & Co., Los Angeles,** is nuts about flying. Let the market close for the day and right away Tommy is up in the air, but literally. He even has a life sized poster of that TWA blonde on his desk to keep his mind off business. In case you're out on the Coast and would like to meet the original ask Tommy to fix it up. . . . Okay men, let 'er spin! Contact!!

The State Department still allows oil companies to send aviation gas and lubricating oils to Franco's Spain. Companies aren't too anxious for the business and Department of Interior is kicking, but State Department boys aim to keep Franco "contented." . . . Canada, a part of the British Empire, is supposed to be allied with Russia in her war against Hitler. But Canada doesn't recognize Russia. She recognizes Vichy. . . . And Marshal Petain, the fuehrer's French strong boy gets $50 a week from Canadian investments. Members of House of Commons who've been indelicate enough to ask how come, are told the amount is too trifling to bother stopping. But if you are a British or Canadian citizen and if you try to take $50 a week out of the country, you'll see how "trifling" such an amount is—and how quickly you'll be stopped.

The boys around Denver are chuckling about this one: A group of bond men went off to the mountains on a hunting and fishing trip. It was to be strictly a male party. They would do their own cooking, washing, etc. However, an Indian guide hired for the occasion brought his squaw along. After several days one of the bond men, tired of camp duties, demanded to know "why the hell that ugly squaw was there and why didn't she do the cleaning up around camp." **Don Brown (Donald F. Brown & Co.)** replied: "We just brought the old gal along so when you guys start looking at her and begin thinking she ain't so bad it's time to head for home. . . . This reminds us of another camping story. A group of eastern dealers set off on a vacation. One of the arrangements was that one man would do all the cooking until somebody complained. The complainee would then have to take over. Days passed and no one complained, not articulately anyway. Finally, in disgust, the "cook" put some fertilizer (organic) into the meat loaf he was preparing. The first dealer to taste the finished dish made a wry face and exploded, "what the hell is this. It tastes just like . . ." but just remembering the agreement he hastily swallowed his mouthful and hurriedly added, "but remember, I ain't complaining."

One day last week the short wave radio carried a Berlin news commentator who angrily denounced the Reds as "only murderers who would persist in defending Leningrad in the face of such an attack." . . . And during a contract bridge tournament the expert Charles Goren asked one of the players to turn over the dummies cards in place of the absent player. "Certainly, sir," answered the man. "But I'm not a very good player." . . . And a gentleman named Alfred C. Davis suing for divorce testified in court that ". . . that even on our honeymoon my mother-in-law exerted domination. My wife cried for her mother the first night. We came home, and the next night she slept with her mother. I had to sleep with some bald headed uncle." . . . If you live in Kansas City, Kansas, and if you're a minor, you can buy a shotgun, but no dealer is allowed to sell you a cap pistol. Anyway that's the ruling of the Assistant City Attorney. . . . And a Cleveland newspaper want ad announces, "Alcoholic, who is a salesman of ability, to sell an effective home treatment of alcoholics; we will treat you to your satisfaction first." . . . Better hide this last from the little woman.

**Ben Lichtenstein:** We got the ruler and the note. You didn't spell our name correctly for which gr-r-r-r, but despite your optimistic comments the ruler is too small. However, it's great for cleaning finger nails. Hey Ben howzabout that Saints & Sinners lunch you're always threatening us with?

## Lower Earnings Seen At Spencer Trask Forum

At a meeting of the Spencer Trask Forum held at the firm's offices, 25 Broad Street, New York City, and attended by a group of insurance company, bank and investment trust and counsel representatives, the subject was earnings-dividend-volume prospects for key industries and companies in 1942. The discussion was led by A. H. Rice, head of the firm's industrial research division, and the general tenor of the meeting indicated lower earnings and dividends for most industries in 1942. Attention was given to individual companies and their special competitive, pricing and cost problems. Interesting sidelights were thrown on the question of priorities and their effect on volume and earnings.

Spencer Trask & Co. plan to hold these forums regularly to continue the discussion of special problems in the rail, utility and industrial fields, it was stated.

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## Now Van Suetendael Co. Firm In New Location

YONKERS, N. Y.—A. O. Van Suetendael has moved his offices to the First National Bank Building, 20 South Broadway. Mr. Van Suetendael is now doing business under the name of O. A. Van Suetendael & Co.

## Bond Attractive

An attractive situation is offered by the first mortgage bonds of an operating utility company priced to yield 10% plus, according to a descriptive circular just issued by A. O. Van Suetendael & Co., First Nat'l Bank Building, Yonkers, N. Y., from whom copies may be obtained upon request.

**Reorganization of**

## Wabash Railway Company

**To Holders of All Issues of Bonds of**
**The Wabash Railroad Company,**
**Wabash Railway Company, and**
**The Columbia and St. Louis Railroad Company.**

The time fixed within which holders of the several issues of Bonds of the above-named Companies may become parties to the Plan of Reorganization of Wabash Railway Company which has been approved by the United States District Court at St. Louis, expires on November 24, 1941.

Every effort is being made to reach all holders of Bonds entitled to participate in the Plan but as the great bulk of Bonds are in bearer form many owners are unknown to the Reorganization Managers. All holders of Bonds of the above Companies who have not received the circular letter of the Reorganization Managers dated October 15, 1941, inviting deposits under the Plan, should IMMEDIATELY advise the Reorganization Managers. All such holders who have received the circular but have not forwarded the Bonds to the appropriate Depositaries are urged to do so forthwith. Time is of the essence. The period for the deposit of Bonds expires November 24, 1941. The foreclosure sale as fixed by decree of Court is to be held December 1, 1941.

**Dwight S. Beebe,**
**James L. Homire,**
**Russell L. Snodgrass,**
**Tom K. Smith,**
**Reorganization Managers.**

**November 18, 1941.**

**A. K. Atkinson,**
**Secretary,**

**W. D. Steele,**
**Assistant Secretary,**
**33 Pine Street,**
**New York, N. Y.**
**Telephone HAnover 2-8166.**

## Railroad Securities

*(Continued from Page 1109)*

notes at par." The old bonds are therefore being considered as short term paper to the date of consummation of the Missouri Pacific plan. It is also significant that the only reason the plan did not provide for actual cash payment of these liens is that at the time it was set up the Missouri Pacific had no cash reserves, and the Commission did not want to impose the burden of selling new money bonds immediately. The consideration of cash is becoming a lesser problem as time goes on.

## Securities Underwriting Participations Reported

The Securities and Exchange Commission anounced Nov. 7 that during the 3 months ended Sept. 30, 1941, participations in underwritten security issues registered under the Securities Act of 1933 and offered for sale amounted to $188,792,000 for 199 firms covering 38 issues, according to an analysis prepared by the Research and Statistics Subdivision of the Trading and Exchange Division. In the preceding quarter, participations totaled $420,026,000 covering 41 issues, while in the third quarter of 1940 the aggregate amount was $311,463,000, involving 36 underwritten issues. The SEC announcement further stated:

> Bonds accounted for the largest amount of these underwriting participations, totaling $104,275,000, or 55.2% in eight issues, with common stock second in importance amounting to $43,278,000, or 22.9% in 17 issues. Preferred stock accounted for the remainder of $41,239,000, or 21.9%.
>
> New York City firms numbering 55 participated in these underwritings in the sum of $116,361,000, or 61.6% of the total. The participations of these New York City firms in bonds amounted to $37,375,000, or 64.6% of all bonds underwritten; in preferred stock $25,460,000, or 61.7% of all preferred stock; and $23,526,000, or 54.4%, of all common stock underwritten.
>
> The management of underwritten issues was more concentrated in New York City than were participations, with 18 firms from that city managing $149,914,000, or 79.4% of the total. Expressed by types of securities, these firms managed $82,283,000, or 78.9% of all bonds; $32,942,000, or 79.9% of all preferred stock; and $34,688,000, or 80.2% of all common stock.
>
> Of the 199 firms participating in these underwritten issues during the third quarter of 1941, only 32 were managers, of which number 18 were in New York City and 14 were outside of New York City. The managing firms, although representing only 16.1% of the total number of participating firms, obtained participations amounting to $108,070,000, or 57.2% of the total. The 18 New York City firms participated to the extent of 26.3% in the issues they managed, compared with a 36.2% participation by the 14 managing firms outside of New York City in issues managed by themselves.
>
> The five firms having the largest participations were all located in New York City. In the order of the volume of their participations, they were: Blyth & Co., Inc., $12,613,000; Dillon, Read & Co., $10,491,000; Harriman Ripley & Co., Inc., $8,999,000; The First Boston Corporation, $7,639,000; Glore, Forgan & Co., $5,450,000.
>
> Dillon, Read & Co. had the largest amount of issues managed, totaling $46,224,000, followed by Blyth & Co., Inc., with $25,766,000; Glore, Forgan & Co., $21,210,000; Halsey, Stuart & Co., Inc., $17,125,000; and Harriman Ripley & Co., Inc., $15,000,000.

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## Harold Passig Joins Fox, Castera & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Harold L. Passig has become associated with Fox, Castera and Company, 650 South Grand Avenue. Mr. Passig was formerly treasurer of Hugh R. Murchison & Co. and in the past was with Rutland, Edwards & Co.

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## N. Y. Curb Exchange Seat Sale

A New York Curb Exchange membership was sold on Nov. 17, at $1,100, up $100 from the previous sale on Nov. 13. Present market is $1,000, bid by the Exchange, offered at $2,500.

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## NYSE Short Interest Lower On Oct. 31

The New York Stock Exchange announced Nov. 7 that the short interest existing as of the close of business on the Oct. 31 settlement date, as compiled from information obtained by the New York Stock Exchange from its members and member firms, was 444,745 shares, compared with 486,912 shares on Sept. 30, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the Oct. 31 settlement date, the total short interest in all odd-lot dealers' accounts was 53,221 shares, compared with 48,588 shares on Sept. 30. The announcement of the Exchange added:

> Of the 1,236 individual stock issues listed on the Exchange on Oct. 31, there were 30 issues in which a short interest of more than 5,000 shares existed, or in which a change in the short position of more than 2,000 shares occurred during the month.
>
> The number of issues in which a short interest was reported as of Oct. 31, 1941 exclusive of odd-lot dealers' short position, was 406 compared with 420 on Sept. 30, 1941.
>
> In the following tabulation is shown the short interest existing at the close of the last business day for each month for the last two years:

| | |
|---|---|
| 1939— | |
| Oct. 31 | 523,226 |
| Nov. 30 | 479,344 |
| Dec. 29 | 381,689 |
| 1940— | |
| Jan. 31 | 454,922 |
| Feb. 28 | 485,862 |
| Mar. 29 | 488,815 |
| Apr. 29 | 530,594 |
| May 31 | 428,132 |
| June 28 | 446,957 |
| July 31 | 479,243 |
| Aug. 30 | 474 033 |
| Sept. 30 | 517,713 |
| Oct. 31 | 530,442 |
| Nov. 29 | 515,458 |
| Dec. 31 | 459,129 |
| 1941— | |
| Jan. 31 | 498,427 |
| Feb. 28 | 487,151 |
| Mar. 31 | 537,613 |
| Apr. 30 | 510,969 |
| May 29 | 496,892 |
| June 30 | 478,859 |
| July 31 | 487,169 |
| Aug. 29 | 470,002 |
| Sept. 30 | 486,912 |
| Oct. 31 | 444,745 |

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## Cotton Exchange Members

At a meeting of the Board of Managers of the New York Cotton Exchange held on Nov. 7, the following were elected to membership in the Exchange: Simeon P. Collins, Jr., of Memphis, Tenn., a spot cotton broker; Wm. S. Glazier of Lehman Brothers, New York City, commodity brokers and bankers, Clarence C. Selden, Secretary and General Manager of the California Cotton Cooperative Association, Ltd., and William F. Baker of Phoenix, Arizona, President and Treasurer of the Shaw Cotton Co., Inc., cotton merchants. Mr. Collins is also a member of the Memphis Cotton Exchange and Mr. Glazier is also a member of the New York Cocoa Exchange.

# Investment Trusts

A Special Letter to Beneficiaries of The George Putnam Fund of Boston from the trustees of the Fund, George Putnam, Charles M. Werly, and Richard Osborn, reveals the attitude of the trustees toward inflation and war problems.

"The type of inflation which now faces this country is very different," according to the letter, "from that which occurred in France and Germany after the World War. Then a monetary collapse caused a disastrous and permanent shrinkage in the value of the currency.

"Although we may conceivably face an inflation of this type sometime in the future, such a situation does not appear to confront us at this time.

"The rising price level (inflation) in this country in recent months is due largely to nonmonetary causes. Under the impact of the defense program, purchasing power, Government and civilian together, has outrun the supply of goods. There is more purchasing power than there are goods available.

**"The important point to bear in mind regarding the present inflation is this—that it is due primarily to the extraordinary defense activity of the country and that the rise in prices will in all probability go on as long as our defense effort continues.**

"Some day, but nobody knows when, this defense effort must come to an end or at least decrease very considerably and our economy must be adjusted once again to a peacetime basis. It is impossible at this stage to visualize how this adjustment will be made and what will be the nature of the post-war world. It does seem reasonable, however, to expect that prices will decline materially from the wartime peaks. Instead of facing today's problem of shortages we will go back to yesterday's problem of what to do about the surpluses.

"Productive capacity in many lines is being expanded far beyond any previous level of peacetime consumption. In the post-war period many managements will face the task of developing new peacetime uses for their products.

"If the above analysis is correct—namely, that the present rise in prices will continue only as long as the war lasts and will be followed by a fall in the price level—the investor has two problems: (1) to adjust his position to the present period of rising prices by avoiding too heavy a commitment in those companies whose profits will be seriously curtailed and (2) to try to keep from being hurt severely by the post-war fall in prices.

"Of these two problems the latter is, in our opinion, the more important. More people get hurt and more businesses are wiped out by the deflation (fall in prices) than by the preceding inflation. This is an historical fact worth keeping in mind. In other words, in trying to protect yourself from the present rise in prices you must **not** place yourself in a position where you will be hurt seriously if prices unexpectedly start to fall.

**"We believe that the investor who maintains a well diversified and reasonably conservative position will come through this period and the ensuing period in better shape than the investor who goes all-out on 'inflation hedges.' It is better to meet the rising cost of living by adjustments in your scale of living than to adopt policies that place your savings in jeopardy.**

"In previous inflation periods selected common stocks provided a measure of protection against rising prices. As prices rose, earnings increased and larger dividends were paid to the stockholder—herein lies the primary reason why common stocks were good things to own during inflation. They provided an increasing income with which to meet an increasing cost of living.

"The situation today is somewhat different, and under present conditions we doubt if common stocks provide the same degree of inflation protection as in previous periods.

"A closely regulated and controlled economy has been substituted for the relatively free economy of yesterday. Taxation is progressively heavy and public policy seems against permitting earnings to increase materially during the present emergency. The year 1941 may well witness the peak of corporate earning power. Certainly the declining trend in the earnings and dividends of English companies lends support to this belief.

"We do not mean to imply for one moment that common stocks should not have a prominent place in today's investment program. The current rate of return on representative high grade common stocks is approximately double the return available from bonds of a corresponding quality. This fact alone we consider ample justification for the maintenance of a substantial part of one's investment capital in common stocks. Furthermore, we do not share the despair many people now profess in the longer investment future of this country. The tide does not always run in the same direction. With all of its problems a new

*(Continued on Page 1116)*

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# Municipal News & Notes

A declining trend in the volume of new municipal financing during the period of the defense boom was indicated last week by Carl Chatters, executive director of the Municipal Finance Officers Association, who declared that capital outlays for new public buildings, streets, sewers, sewage disposal plants and other such facilities will be curtailed greatly by the defense program.

Such outlays probably will be stopped entirely, he stated, except where needed for the extension of defense facilities or the immediate preservation of life and health. The outlays will be reduced, he said, "because of a shortage of material and labor, because of increasing costs in other cases and in order to have available a large reservoir of projects when the defense program ceases."

Mr. Chatters, who has just concluded a nation-wide survey of the problems of local governments under the defense program, recommended that municipalities curtail the issuance of bonds and adopt a pay-as-you-go policy. "Municipalities which reduce their debts and eliminate short-term loans will not be burdened by large payments for bond retirements and interest when difficulties come back. They will have their funds available for operating purposes and will need them badly."

### Tax Exemption Feature Seen Vital Marketing Factor

General agreement was expressed by members of the Municipal Finance Officers Association of New Jersey at the annual convention of the Association held at Atlantic City last week that the removal of the tax exemption feature of municipal bonds would substantially affect the marketability of these issues.

**While many members expressed fears of a severe depression following the present war, the belief was general that New Jersey municipalities were in much better financial position to cope with such a depression than was the case after the last war.**

Among those participating in the discussions regarding municipal affairs were Hon. Walter R. Darby, Commissioner of Local Government of New Jersey, B. J. Van Ingen, President, B. J. Van Ingen, Inc., Hon. William Williams, Mayor of Belleville, N. J., and Mr. Henry Russell of the law firm of Hawkins, Delafield and Longfellow. The presiding officer was Hon. Vincent Haneman, Assemblyman, New Jersey.

### Municipalities Warned On Federal Encroachments

Local self-government is threatened by the encroachments of the Federal government. This truth, obvious to everyone, caused a sensation when enunciated by Mr. John S. Clark of the Municipal Securities Committee of the Investment Bankers Association in his speech to the officers of New Jersey cities at the State League of Municipalities last week. Without lowering his voice, he said in so many words that "great effort has been made to subordinate the importance of local government, to weaken and destroy it by propaganda, political pressure, legislation, litigation, encroachment on revenue, attempts at taxation and subsidy at the expense of the public purse."

**Mr. Clark pronounced most dangerous of all the "repeated efforts of the Federal Administration to levy the burden of its taxation on the borrowing power of the States and subdivisions. The immunity of the States from taxation by the Federal Government, and vice versa, is based upon the concept of dual sovereignty, the fundamental and original purpose of which was to ensure the preservation of individual liberty."**

In our easy tolerance we usually ignore encroachments until they become unbearable, then attack them fiercely, and win or lose according to the relative strength of the opposing forces. Viewing the extensive machinery already set up to substitute Federal for local governmental functions and the elaborate plans for more of the same, it would seem at first glance as if Mr. Clark's warning came too late, but perhaps not.

(The above comment is taken from Monday's issue of the weekly municipal news bulletin, put out by Hemphill, Noyes & Co., 15 Broad St., N. Y. C.)

### State Tax Collections Increased In Decade

California state tax collections, according to *Tax Yields: 1940*, a study published by the Tax Institute of the University of Pennsylvania, have more than doubled in the last 10 years. Using figures gathered with the assistance of DeWitt W. Kreuger, Chief of the Division of Research and Statistics of the State Board of Equalization, the Tax Institute has compiled tax collections of every state and of the Federal government.

While the total collections for all states are larger by one-third, California takes a high place among states that doubled their collections. The increase in California from $113 millions in 1931 to $264 millions in 1940 is well over the 100% mark. Nine other states, Alabama, Colorado, Florida, Louisiana, Nevada, New Mexico, North Carolina, Ohio, and West Virginia each showed more than twice as much collected in 1940 than 10 years previous.

**In nearly all of these states, increasingly larger shares of state tax collections have been returned to local governments for relief purposes, for schools, state-aid for highways, or other activities. State governments in the last decade have become increasingly important as tax collection agencies sharing their revenues with local units. Local governments throughout the country in the last ten years maintained approximately the same level of tax collections, their increased activities being financed largely by state and federally shared revenues.**

Nearly all states showed substantial gains varying from 10 to over 100%. Only one, Oregon, collected slightly less in 1940 than in 1931. Maine and Delaware remained at approximately the same level.

### New Jersey Water Needs Stressed

Need of a new State water supply and consolidation of existing municipal and privately owned supplies was stressed in a report sent to members of the New Jersey Legislature last week. The report was prepared by a special six-member committee last year but never made public.

Under a program suggested in the report the State Water Policy Commission, North Jersey District Water Supply Commission, Newark's water supply and the Passaic Valley Water Commission ultimately would be brought under a single authority.

FLORIDA

**FLORIDA MUNICIPAL BONDS**

**Our long experience in handling Florida issues gives us a comprehensive background of familiarity with these municipal bonds. We will be glad to answer any inquiry regarding them at no obligation.**

R.E. CRUMMER & COMPANY
INVESTMENT SECURITIES
1ST NAT. BANK BLDG. CHICAGO ILLINOIS

Aggregate cost of the project would be about $190,000,000. This would include part payment for existing supplies, construction of a new supply and ultimate additional purchase of smaller sources now in existence. The new supply would cost about $41,000,000.

**Most of the $190,000,000 that would be spent by the authority would go for refinancing outstanding bonds on municipal and privately owned supplies to be taken over. No allowance is made for condemnation or the present value that might be placed on the existing supplies to be taken over. The report assumes the existing municipal and private supplies could be taken in each case for the amount of outstanding bonds.**

### Louisiana Debt Reduction Foreseen

Substantial reductions in the general revenue deficit of the State of Louisiana before the close of the fiscal year June 30, 1942, are forecast by Martin Close, finance director. The general revenue deficit, estimated at $8,630,135 as of June 30, 1942, will be "greatly reduced as a result of savings already effected and continuation of the present policies of economy and business management," Mr. Close reports.

The state treasury balance at the close of the last fiscal year was $23,867,684 after expenditures of $83,131,616, according to figures just released by the finance director. The general fund balance, for which a deficit of $2,150,855 was predicted, was shown as $1,243,650. Except for this general fund balance all treasury funds are subject to legislative appropriations. Consequently, the state with cash on hand is unable to pay a floating debt of $4,050,000, representing the deficit incurred in preceding administrations.

### Oregon Names National City Bank Fiscal Agent

The National City Bank of New York has been designated as the fiscal agency for the payment of bonds and coupons issued by the State of Oregon, or any county, township, precinct, town, city, school district, irrigation district, or other municipality, as shall by their terms be made payable in the City of New York. This appointment is to continue for a period of four years from Dec. 10, 1941, unless sooner revoked by the Governor for valid and sufficient reasons.

### California Earthquake Damage

Damage estimated at upwards of $1,000,000 was caused last Friday by an earthquake, centering in Torrance and Gardena, suburbs of Los Angeles. Although it was the heaviest since the disastrous shock of 1933, which cost 130 lives, no deaths or injuries resulted.

In Torrance, industrial community of about 10,000 population southwest of Los Angeles, officials set property damage at $1,000,000 or more.

Gardena's loss was estimated officially as "many thousands of dollars." Several buildings in that community of 6,000 were badly damaged.

### N. Y. State Sinking Fund Offering

The New York State Sinking Fund will offer for sale next Tuesday a total of $1,818,000 various New York local unit bonds, including New York City issues, now held in its portfolio. Proceeds from the sale will be applied, together with cash to be on hand in the amount of $4,883,911, to the payment on Jan. 1, 1942, of $5,100,000 of maturing debt.

### Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over — short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

**Nov. 20th (Today)**

**$922,000 Jackson, Tenn.**
Previous sale took place in Dec. 1938, the bonds going to Smith, Barney & Co. of New York, and Hunter, Jones & Co. of Memphis, jointly. Second highest bid was by Phelps, Fenn & Co. of New York, and associates.

**Nov. 21st**

**$1,170,000 Detroit, Mich.**
This offering of three issues of street railway revenue notes is included in this compilation because each of the issues runs for longer than two years final maturity and may attract bids from a wider field.

**Nov. 24th**

**$1,500,000 Massachusetts, State of**
Last sale took place on Feb. 24, the award going to the Bankers Trust Co. of New York, and associates. Runner-up was a syndicate headed by Halsey, Stuart & Co., Inc., of New York.

**Nov. 25th**

**$3,000,000 Chicago Sanitary Dist., Ill.**
This district awarded bonds on Sept. 4 to a syndicate headed by Halsey, Stuart & Co., Inc. of Chicago. The Chase National Bank of New York, and associates, was runner-up in the bidding.

**$1,818,000 New York, State of**
These bonds are sinking fund holdings. Refer to remarks given above on offering.

**Nov. 26th**

**$893,000 Dallas, Texas**
City awarded bonds last January to a syndicate headed by Lazard Freres & Co., which also submitted the next best (optional) bid. Following these bids was the offer submitted by Kaiser & Co. of San Francisco and associates.

**$2,700,000 Port of Astoria, Ore. (Astoria)**
There has been no recent sale of bonds by the above district.

**Dec. 1st**

**$4,440,000 Cincinnati, Ohio**
On Feb. 27, 1940, this city sold an issue to a syndicate headed by the National City Bank of New York, and associates. The First Boston Corporation headed the second best group.

**Dec. 3rd**

**$1,522,000 Tennessee, State of**
Phelps, Fenn & Co. of New York headed the syndicate that was awarded an issue offered last April. Runner-up in the bidding was Farwell, Chapman & Co. of Chicago and associates.

**Dec. 8th**

**$519,000 Scranton, Pa. (Sch. Dist.)**
This district awarded bonds last December to a group headed by Fox, Reusch & Co. of Cincinnati. Runner-up was E. H. Rollins & Sons, Inc., and associates.

### C. A. Gill Now V.-P. Of H. M. Gartley Inc.

Charles A. Gill has resigned as manager of the Statistical Department of the New York Stock Exchange firm of Foster and Adams, to become Vice-President of H. M. Gartley, Inc., 76 William Street, New York City. He will be in charge of stock market research and portfolio management, and available for personal interviews on the market problems of subscribers to the various Gartley services. He has been a writer and adviser on investment problems for many years.

## Personnel Items

*(Continued from Page 1108)*

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**Harley E. Campbell** has become associated with **Houchin and Bradford**, Bakersfield, Calif. Mr. Campbell was formerly with the Los Angeles office of E. F. Hutton & Co., and prior thereto with Mervin Ash & Co.

(Special to The Financial Chronicle)
LOUISVILLE, KY.—**Charles A. Ludwig, Arch C. Graham** and **Lawrence J. Camozzi** have been added to the staff of **Urban J. Alexander & Co., Inc.**, Louisville Trust Building.

(Special to The Financial Chronicle)
NEW HAVEN, CONN.—**Kennedy Brown Bailey** is now connected with **Fahnestock & Co.**, 205 Church Street. Mr. Bailey was formerly with W. E. Burnet & Co. of New York.

NEW YORK, N. Y.—**Gerald S. Whittaker** has rejoined the staff of **Smith, Burris & Co.**, 40 Wall Street. Mr. Whittaker was recently with Cohu & Torrey and Clarence Hodson & Co., Inc.

(Special to The Financial Chronicle)
PEORIA, ILL.—**Ben Hershe**, formerly local representative for John J. Seerley & Co., is now associated with **Alexander & Co., Inc.**, whose main office is located at 141 West Jackson Boulevard, Chicago, Ill.

(Special to The Financial Chronicle)
SEATTLE, WASH.—**Harry D. Sloan**, formerly with Dagg & Co. and F. K. Easter & Co., has become affiliated with **Harris, Lamoreux & Norris, Inc.**, Hoge Building.

(Special to The Financial Chronicle)
SEATTLE, WASH. — **Schell Harmon** has been added to the staff of **Hartley Rogers & Co.**, 1411 Fourth Avenue Building.

(Special to The Financial Chronicle)
SEATTLE, WASH.—**Robert W. Edwards**, previously with Harris Lamoreux & Norris, and Blyth & Co., Inc., has become associated with **A. J. Strom & Co.**, Dexter Horton Building.

### British Treasury To Buy RFC Collateral

The British Treasury announced Nov. 17 that the owners of certain United States securities, which have been deposited as collateral for the RFC loan to Great Britain, may sell such securities, if they so desire, to the Treasury. The securities involved represent only a partial list of the collateral deposited with the RFC.

The present action differs from requisitioning orders which have been issued by the Treasury from time to time in that holders of the issues here concerned have the option not to sell.

Following is a list of the securities:

Celanese Corp. of America
Chicago Pneumatic Tool
Cities Service
Climax Molybdenum
Congoleum-Nairn, div'd shrs.
Great Northern Ore
International Paper
John Morrell
Pure Oil
Singer Manufacturing
Standard Oil of New Jersey
United States and International Securities

### Ira Haupt Will Admit M. Scherk As Partner

Martin Scherk will become a partner in Ira Haupt & Co., 39 Broadway, New York City, members of the New York Stock Exchange, as of Dec. 1. Mr. Scherk will acquire the Exchange membership of Lawrence Crauford, a partner in Drysdale & Co. (which will continue as a Stock Exchange member firm).

## Our Reporter On "Governments"

*(Continued from First Page)*

**though it may be gradual and relatively painless—is being discounted in the market. . . . Many investors are switching out of their short-terms, doing their own refunding in the open market. . . . Others are switching out of the short-terms into tax-anticipation notes. . . . Speculative interest is dwindling. . . .**

Obviously, then, another part of the demand has been eliminated from the short-term Government market. . . .

(3) The recent change in reserve requirements has influenced some institutions, of course. . . . Not that this move has been important as a market factor, but there is no doubt that the market is "tighter" now than it has been in the past. . . .

(4) News that the Treasury is going to sell $200,000,000 instead of $150,000,000 of 91-day bills "until further notice" has disturbed the short-term market considerably. . . . Even though the Treasury is permitting payment for the bills through the war loan deposit method—an indication of Morgenthau's desire to hold down advances in bill rates — subscribers will boost their bids over the coming weeks . . . Chances are the extra bill sales will be continued for several weeks, until the $50,000,000 net boost has given the Treasury $650,000,000. . . . That would cover a 13-week period. . . .

Again, the angle is the supply of short-term stuff is being increased. . . . At the same time that the demand is being cut. . .

### The 1936 Parallel

In November, 1936, the short-term Government market started slipping off—at that time, on rumors of a major increase in reserve requirements. . . .

It wasn't until February, 1937 though, that the long-term bond market felt the change in the short-term list. . . . It wasn't until three months later that long-terms hit their highs and began falling sharply. . . .

**This time, the decline in the short-term market may be traced back to mid-summer. . . . Certainly to August. . . .**

**The long-term market is just now beginning to show signs of "top-heaviness." . . .**

Is there a correlation? . . . On this point, you must be the one to decide. . . . But never in history has the short-term market established a major trend without the long-term market following after a while. . . .

### The 1% Level

The bottom rate for short-term issues—due in around five years—seems to be about 1%. . . . Any issues returning less than that rate are "sticky," hard to move. . . . And the weakness in the shorter-terms that have been under that level recently indicates unmistakably that the trend of rates is upward to that point. . . .

Were Morgenthau to attempt to sell a five-year note now, he would have to pay considerably more than 1% interest to make sure of the reception to the securities. . . .

### The Next Issue

But the next issue won't be along until early December. . . The chances are the choice of maturity will be in the intermediate to longer-term group rather than in the short-term classification. . . . Another very long-term issue doesn't appear probably, due to the Treasury's desire to "spread around" its open market issues, but if the short-term market continues under pressure, almost any type of issue is likely to come. . . .

How big will it be? . . . Again, the forecasts at this date don't mean much, because of the rapidly changing scene. . . . The odds are the $426,000,000 notes, due in March will be refunded and so it's logical to assume that the total of the offering will be at least $1,000,000,000 and probably it will be greater. . . . Assuming this is true, we're in for a dragging market—at best—between now and the date of the financing, for there's little reason to suppose the major investors in the country will enter the lists to pick up bonds when they know a chance to subscribe to new securities at par is immediately ahead. . . .

The prospect of constant borrowings, incidentally, leads to the natural conclusion that the market's ability to rise must be curtailed as the months roll by. . . . This doesn't mean a break is in the offing—not by any means. . . . The powers of control resting in the hands of the Treasury and the Federal Reserve System are too great for that. . . .

But the facts are that (1) Morgenthau's own testimony before Congress indicates that $7,000,000,000 to $8,000,000,000 must be borrowed in the 1942 fiscal year; (2) at least $3,000,000,000 of this must come from institutions and wealthy individuals dealing in the open market; (3) only $1,200,000,000 of that later amount has been raised to date, leaving $1,800,000,000 still to be raised through sales of bonds, notes and bills between now and June 30. . . .

That means a lot of financing. . . .

### Inside The Market

Reports are dealers have fairly large positions in the long-term market today. . . . Short side of the market hasn't been played much recently. . . . Technical position of lists hasn't been too good in recent sessions. . . .

Reason for increase in Treasury's working balance to around the $1,800,000,000 mark between 4th and 8th of November was receipt of quarterly social security tax payments of $130,000,000. . . .

**Brokerage houses have been "playing" the new issue market on a tremendous scale recently. . . . No getting away from it—"free riding" is back again and this time, it's really on a major league basis. . . .**

Defense expenditures now running at the rate of $1,500,000,000 a month, of course, an all-time record. . . . Donald M. Nelson of SPAB, says $3,500,000,000 a month is the kind of "victory program" necessary to beat Hitler. . . . Translate this into borrowing and national debt by yourself. . . . You need no aid on this. . . .

*This announcement is under no circumstances to be construed as an offer of these securities for sale or as a solicitation of an offer to buy any of such securities. The offering is made only by the offering prospectus which, however, does not constitute an offer by any underwriter to sell securities in any state to any person to whom it is unlawful for such underwriter to make such offer in such state.*

New Issue November 17, 1941

**$15,000,000**

**The Superior Oil Company**

(Incorporated in California)

**3½% Debentures, due November 1, 1956**

**Price 103%**

**plus accrued interest from November 1, 1941, to date of delivery.**

*Copies of the offering prospectus may be obtained from the undersigned (one of the underwriters named in such prospectus) only by persons to whom the undersigned may legally offer these securities under applicable securities laws.*

**Dillon, Read & Co.**

## The Baltimore Story

An old feud, dormant for years, has recently flared again. Baltimore is agog over recent verbal tirade between two of its well known (at least one is respectable) citizens.

Col. John Casanova O'Neill in charging Squire William Boggs with slander, mayhem, etc., also accuses him of secretly installing a dictaphone in his bedroom at his country estate "The Chateau O'Neill." It is rumored the Colonel has endeavored to secure the support of a few prominent Sons of the AOH to direct a national organization named the "SFTDOB" in helping him bring the accused before the highest Bar in the country.

Squire Boggs, interviewed by reporters at the Lauraville Club, stated that Colonel John is a little "off center," therefore no amount of slander could really do him any harm, and the "Four Points" that always reminded him of the Colonel still stands. He also voiced the opinion that any funds collected by the O'Neill Clan Organization would undoubtedly be confiscated by the Colonel and used to reline his pipes.

## NASD District No. 13 Announces Nominees

Henry G. Riter, 3rd, Chairman of District No. 13 Committee of the National Association of Securities Dealers, Inc., with the approval of the District Committee, has appointed the following as a Nominating Committee:

J. Taylor Foster, Spencer Trask & Co., New York, Chairman; Malcolm Edgerton, Green, Ellis & Anderson, New York; Roger W. Putnam, Glenny, Roth & Doolittle, Buffalo, N. Y.; John F. Sammon, J. F. Sammon & Co., New York; and Frank Stanton, First Boston Corporation, New York.

This Nominating Committee has nominated as the regular ticket the following:

For Board of Governors: James Coggeshall, Jr., First Boston Corporation, New York, N. Y., to succeed Perry E. Hall, Morgan, Stanley & Co. Inc., New York, N. Y.; Clarence E. Unterberg, C. E. Unterberg & Co., New York, N. Y., to succeed Frank Dunne, Dunne & Co., New York, N. Y.

For District Committee: Irving D. Fish, Smith, Barney & Co., New York, N. Y., to succeed Frederick M. Warburg, Kuhn, Loeb & Co., New York, N. Y.; Charles F. Hazelwood, E. H. Rollins & Sons, Inc., New York, N. Y., to succeed William J. Minsch, Minsch, Monell & Co., New York, N. Y.; Frank Dunne, Dunne & Co., New York, N. Y., to succeed Clarence E. Unterberg, C. E. Unterberg & Co., New York, N. Y.; Robert C. Common, Vietor, Common & Co., Buffalo, N. Y., to succeed Frank C. Trubee, Jr., Trubee, Collins & Co., Buffalo, N. Y.

Additional candidates may be nominated by members of the Association in this District (10% or more of the members submitting names of additional candidates). If any additional candidate or candidates are proposed, as provided, an election will be held in accordance with the provisions of the by-laws.

Nominations of additional candidates, if any, must, therefore, be received by the District Committee on or before Dec. 8, 1941, and should be addressed to Frank L. Scheffey, Secretary, District No. 13 Committee, 44 Wall Street, New York, N. Y.

## F. W. Dodge Records Peak October Construction

Construction contracts awarded during October totaled $306,349,000, the F. W. Dodge Corporation reported Nov. 21. This amount was greater than the total for any previous October, higher by $6,000,000 than the previous record October reached in the year 1928. The increase over October 1940 was 58%. There was a slight decline from the September 1941 total.

Included in last month's record were $167,141,000 in contracts for commercial and manufacturing buildings; $134,804,000 for one and two-family houses; and $139,000,000 for other residential and non-residential building classifications.

Sixty-one per cent, by valuation, of the October contract total, was for public ownership projects (primarily defense construction). However, the amount of private contract work, $235,762,000, was somewhat greater than the total for September of this year, indicating that the SPAB curtailment order of Oct. 9, limiting priority assistance and critical materials allocations to defense construction and essential civilian needs, is taking effect gradually.

## N. Y. Stock Exchange Seat Sale

Arrangements were completed on Nov. 12, for the transfer of three New York Stock Exchange memberships, one at $21,000 and two at $20,000 each. The previous and only other transaction this month was at $22,000 on Nov. 10.

AID AMERICAN DEFENSE

JOIN AMERICAN RED CROSS

ROLL CALL - - NOVEMBER 11-30, 1941

*Your memberships and contributions assure:*

Transfusions for armed forces
Surgical dressings for Army
Aid to servicemen's families
Nurses recruited
Nurses aides trained
Disaster relief
First aid training
Home nursing courses
Nutrition guidance
Water safety classes

•

EXCHANGES DIVISION
NEW YORK CHAPTER
AMERICAN RED CROSS
315 LEXINGTON AVE. NEW YORK, N. Y.

# The Securities Salesman's Corner

*It is our desire to develop this column into a clearing house for ideas. If we could pass along some things that the other fellow is doing which is helping to meet present-day conditions it no doubt would be of some interest to all concerned. In this connection, we would sincerely appreciate your comments or criticisms and any suggestions you might wish to send along.*

## KEEP THAT HIGH PRESSURE GLEAM OUT OF YOUR EYE.

Away back yonder in the early twenties, when this writer began his checkered career as a bond salesman, he had associated with him as a fellow salesman, one of the "easiest going" Southerners you ever met in your life. You know the type—the sort of fellow who was always soft spoken, who just seemed to shuffle along, who never appeared ruffled or perturbed, and who acted as if he didn't give a hoot if anyone ever bought a bond from him or not. But what a volume of business he turned in. He was one of the greatest exponents of indirect selling it has ever been our good fortune to know.

In those days, we were reading all the literature on salesmanship we could lay our hands on. Mr. Townsend's famous book on bond salesmanship was almost a nightly ritual that we patiently digested in the hope that some day, we too, could go to the head of the sales force. We studied different arguments for the purchase of this and that security. We tried to learn rebuttals for objections. We worked like blue blazes (some times on looking back we wish we could do the same today, for then the enthusiasm was high and the hot rush of youth was in our blood) but still the sales came hard and they were at best all too infrequent.

Day after day, our slow moving, slow talking, easy going Southern friend would come in with order after order, and we wondered how he did it. After all, he seemed to belie in every action and in every deed what the successful salesman should say and do.

One day, as he was sitting at his desk, apparently thinking about nothing at all, we looked over at his easy repose and decided to ask him just why it was that he could do so much business with so little apparent effort, while we had such a difficult time. This writer will never forget the tact and the helpfulness with which he listened and offered his aid. Here in itself was the basic reason for his success; he didn't have to sell others they bought from him. His very attitude showed them that they could confide and trust in him.

**After he listened to our problem, he smiled a slow sort of smile and said he thought it would be a good idea if we took a little walk out of the office. We found a coffee shop down the street and when we were removed from anyone in the organization that could overhear his remarks he proceeded to answer our question. "You know," said he, "I've been watching you ever since you came here and started on this job. You're a nice young fellow but no one would ever know it. You're all salesman. Anybody can see as soon as you start to talk that you want to convince them of something. You put them on the defensive right away. That makes them all resist you. It's just human nature. You've got that high pressure gleam in your eye. Now I sell too, but I don't want anyone to know it. I try to make them think they are buying and that is just the opposite of what you are doing. People like to be sold but they don't want anyone to sell them. When you learn this one little trick of human nature, you'll do more business than I will. The books you've read and the figures you know comprise ten times more than I know about this business. Just keep that high pressure gleam out of your eye and watch the difference it will make in the business you'll do."**

Here was one of the best tips on salesmanship that this writer has ever had in all of his life. After all, there is no salesman, who at times, has not been guilty of putting on too much pressure. This is especially true in the securities business. After all, we are selling information which is primarily based upon the confidence of our client in the recommendations we make. We are not making a one-call sale where we will never see the buyer again. Ours is a repeat business and if we can't establish our clientele upon such a basis we had better not waste the time and effort it takes to build a business.

By this, we don't mean to say that a salesman should not forcibly bring a buying opportunity before his clients and prospects. But like all good things there is a time, a place and a correct way to bring pressure to bear in order to bring forth a decision. Here is a good rule to remember. The first step is **point** of contact—we get the attention of our prospect. The second step is like a **square**—we build confidence. In new contacts they may take one or several interviews. The third step is like an **arrow**—we deliver an idea, we present a security—in other words here is where we make our sales talk. Fourth, **our arrow wavers**—our prospect gives us his objections, and we meet them. Fifth, is the **hook**, this is the close. Here is the only time any salesman should ever use pressure—the big moral of this little story is that there are many ways of helping an undecided prospect make up his mind without **getting that high pressure gleam in your eye.**

There is only one time when you can safely use pressure that is when you desire to create action and get the order. Then it is least offensive—then it is even welcomed by certain types of people who need others to help them come to a decision. But don't use it when you should be getting attention, or when you should be creating interest in a specific security. Don't argue don't look for objections—lead but don't pull—take it easy there are plenty of people that will want to know you as a friend, or as a nice fellow (even if you do sell securities) or just because you help them forget the cares of the day—but there are just too few of them that will ever want to know you because you are the greatest salesman in the world.

## W. H. Hassinger Will Be Garvin, Bantel Partner

William H. Hassinger, member of the New York Curb Exchange, will be admitted to partnership in Garvin, Bantel & Co., 120 Broadway, New York City, members of the New York Stock Exchange. Mr. Hassinger was a partner in Foley & Hassinger and in the past of J. A. Kemp & Co.

## Suggestions For 1942 NYSE Nominating Com.

The 1941 Nominating Committee of the New York Stock Exchange held the first of two open meetings for the purpose of receiving suggestions from members and partners of Stock Exchange firms for nominees for the 1942 Nominating Committee. The following names were suggested:

For three members of the Exchange: Francis M. Bacon, 3rd, Bacon, Stevenson & Co.; Charles V. Benton, Carreau & Company; T. H. Benton, Benton & Nicholas; Julius Brandenburg, Brandenburg & Co.; Abner Bregman, at Bear, Stearns & Co.; Austin Brown, Dean Witter & Co.; I. H. Burnham, II, Burnham & Co.; R. W. Courts, Jr., Courts & Co.; John I. Dakin, Strassburger & Co.; R. H. Deetjen, Emanuel & Co.; N. H. Donald, Henderson, Harrison & Co.; Wright Duryea, Glore, Forgan & Co.; Louis B. Froelich, Pershing & Co.; George F. Garlick, M. J. Meehan & Co.; William B. Haffner, Wilcox & Co.; James H. Heroy, Jr., C. N. Edge & Co.; Charles S. Hirsch, Jr., Hirsch, Lilienthal & Co.; Russell S. Hume, Hume & Thompson; William E. Hutton, W. E. Hutton & Co.; Amos M. Kidder, A. M. Kidder & Co.; Stephen A. Koshland, Carl M. Loeb, Rhoades & Co.; John C. Legg, Jr., Mackubin, Legg & Co., (Baltimore); H. W. McEvoy, Winslow, Douglas & McEvoy; Samuel Mixter, Chandler, Hovey & Co. (Boston); F. S. Moseley, Jr., Robert Winthrop & Co.; Arthur K. Peck, Stevens & Legg; Edward A. Purcell, Edward A. Purcell & Co.; William Rand, Burr, Gannett & Co.; Philip Spalding, Dixon & Co.; Walter W. Stokes, Jr., Stokes, Hoyt & Co.; Homer A. Vilas, Vilas & Hickey; Samuel W. West, Kirk & West; Frederick C. Whaley, Whaley & Potter; R. F. Whitmer, Jr., Mitchel, Whitmer, Watts & Co.; Arnold Wood, Jr., La Branche & Company; and Theodore Yankauer, Jr., Waldheim, Platt & Co.

For two allied members of the Exchange: Charles W. Baker, Jr., Laird, Bissell & Meeds (Wilmington); Newcombe C. Baker, Laird, Bissell & Meeds; William K. Barclay, Barclay, Moore & Co. (Philadelphia); F. Edward Bosson, Putnam & Co. (Hartford); C. Prevost Boyce, Stein Bros. & Boyce (Baltimore); Herbert F. Boynton, F. S. Moseley & Co. (Boston); Henry W. Brower, Laidlaw & Co.; Ronald M. Craigmyle, Craigmyle, Rogers & Co.; Edward C. Delafield, Delafield & Delafield; Malcom J. Edgerton, Green, Ellis & Anderson; Bradley J. Gaylord, Laurence M. Marks & Co.; Rowland H. George, Wood, Struthers & Co.; Benjamin H. Griswold, III, Alex. Brown & Sons (Baltimore); Ralph Hornblower, Hornblower & Weeks (Boston); Lawrence Howe, Shearson, Hammill & Co. (Chicago); Herbert R. Johnson, Orvis Brothers & Co.; Alfred Putnam, Auchincloss, Parker & Redpath (Philadelphia); Max J. Stringer, Watling, Lerchen & Co. (Detroit); Clare M. Torrey, Cohu & Torrey; Charles C. Townsend, R. L. Day & Co.; De Forrest Van Slyck, Fahnestock & Co.; Hans A. Widenmann, Carl M. Loeb, Rhoades & Co.; and Claude W. Wilhide, Baker, Watts & Co. (Baltimore).

A panel of five nominees for the 1942 Nominating Committee will be announced by the retiring Nominating Committee on Dec. 15 and will be voted upon by the membership on Jan. 12.

The 1942 Nominating Committee will propose a slate for the offices of the Exchange, and a successor Nominating Committee, to be voted upon at the general election on May 11.

The second and last meeting of the Committee will be held on Nov. 25th.

*This announcement appears as a matter of record only and is under no circumstances to be construed as an offering of these Debentures for sale or as a solicitation of an offer to buy any of such Debentures. The offering is made only by the Prospectus.*

NEW ISSUE

**$20,000,000**

**Westinghouse Electric & Manufacturing Company**

**2⅛% Debentures**

To be dated November 1, 1941 To be due November 1, 1951

**OFFERING PRICE 101½% AND ACCRUED INTEREST**

*Copies of the Prospectus may be obtained in any State from only such dealers participating in this issue as may legally offer these Debentures under the securities laws of such State.*

**Kuhn, Loeb & Co.**

New York, November 13, 1941

## JOTTINGS

*(Continued from First Page)*

to buy the entire Cuban sugar crop in the biggest such deal since the Sugar Equalization Board bought the 1919 crop. The purchase will be for joint account of the United States and Great Britain. Reason is that despite annual "military self-sufficiency" arguments of the beet sugar people, Cuba again emerges as the world's war-time sugar bowl, because of (1) shipping shortages from the Philippines, and (2) relative inexpansibility of Hawaiian, Puerto Rican and domestic production from current levels. Cuba, on the other hand, will jump from a 1941 crop of 2,800,000 tons to 4,000,000 in 1942 and probably could go to 6,000,000 in 1943. Domestic beet can't be expanded much because of (1) labor shortage, and (2) shift to more profitable crops. But if U. S. and U. K. competed for Cuban sugar, price would go too high.

Results of deal might be (1) virtual extinction of No. 4 sugar contract, and (2) OPA fixing either of price ceiling for refined sugar or of cane refiner's margins, as in textiles.

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IBA people are rather pleased the way hearings are going. Quite different from 1933. Committee members friendly, also show unexpected grasp of technicalities, handled Purcell somewhat roughly. A unique "Committee print" is in use, with changes proposed by different groups in different kinds of print.

**But hearings drag due to competition from labor issues, neutrality revision, etc. The committee will consider 11 items under the '33 Act but so far has got through only two; they meet now only in the morning and are frequently called away. So hearings will probably last through New Year's before the transscrip goes to a subcommittee for bill drafting. So far, IBA has had most of the floor, with NASD and exchanges mostly standing by, but this will change when discussion gets over into the '34 Act.**

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Notes on the airplant industry. . . . November is the month of dividends. . . . The industry would be among the hardest hit by the Morgenthau 6% plan, due to its conservative book-values. . . . But the Vinson profit-limit bill, which has much better prospects, would be equally bad because it would limit profits by individual contracts—another of those Treasury heads-I-win-tails-you-lost arrangements. . . . The aircraft industry will soon exceed in output the automobile industry. Orders on hand are now $8,000,000,000. . . . In a year the term "automobile industry" may be a misnomer; it will probably be turning out more value in planes than autos, not to mention its tank output . . . by another year it will be more like a department of the aviation manufacturing industry. . . .

Further notes on the plane industry. . . . The battlefield next year will almost surely be upstairs above 30,000 feet. Here the advantage will be with the big bomber, with super-charged cabin, against the fighter, which cannot manoeuvre so rapidly and where atmosphere and temperature conditions hamper the pilot with clothing and slowed gun operation. . . . We shall in a few months pass the Germans in output, not counting British production, which we are already passing . . . propeller shortages are being cleared up, as Curtiss solves the problems of mass production of hollow steel blades. The other of the Big Two in propellers is Hamilton Standard (United Aircraft). Shortage now is mostly in new kinds for Bell, Martin and Republic. . . .

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The building mortgage industry may have to suffer a revolution along with the residential building industry. The emergency is speeding decentralization and ruralization. New houses are better off tax-wise because tax appraisals rarely allow enough depreciation, which will be larger. The long-term trend toward lower land values in the cities is being accelerated. So the savings banks must force faster amortization. They can do it because people have more money. The move is patriotic, too, because it cuts public purchasing power.

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Miscellaneous. . . . The shoe is on the other foot now, as labor complains that collective bargaining is impossible with the Government laying down the terms. Of course. Employers have been finding that out since North American. . . . Domestic cotton consumption is now equal to production. Look for the end next year of crop curtailment programs as demand increases, farm labor gets dear and scarce, and farmers move from the restricted crops like cotton, wheat, sugar beets, etc., into the unrestricted. . . . If your wife is annoyed because dairy products are getting dear due to their being sent to Britain, you at least can take cheer from the fact that while you can buy all the Scotch you can afford, Londoners can't, because it's being sent here. . . . The Treasury will probably gather in $1,000,000,000 this fiscal year from liquor and beer taxes alone. . . .

## Elected Director

James A. Heitzmann, formerly a partner of the New York Stock Exchange firm of G. H. Walker & Co., has been elected Vice-President and a Director of Acme Pattern & Tool Company, Incorporated, of Dayton, Ohio.

## Our Reporter's Report

*(Continued from First Page)*

**bids for the business and competition, accordingly, is expected to be keen. The top-rating accorded the bonds to be sold and the fact that the issue is not exceptionally large, are elements however, which make the investment bankers more than a bit apprehensive of insurance company participation.**

Thus far, nothing definite has been heard from the insurance people, but bankers recognize that the issue is of a type and quality which they might be expected to look at quite longingly.

**There is only one soothing element in the general picture, namely that there are $130,000,000 of 3½s of the potential issuer outstanding, the vast bulk of which are resting in insurance company portfolios.**

**This, it is hoped, may tend to discourage the major companies from seeking to buy the new issue direct.**

### Dangers of Overpricing

Bankers themselves are becoming quite aware of the dangers of overpricing new issues in the present market. And this applies not only to long-term loans, but for the moment, according to some, is equally applicable to short-terms.

**Weakening of the Treasury bill market quite evidently has left its imprint on the general investment picture, but for the moment its effect has been primarily, as it should be, in the short-term field.**

According to some reports around, the changing backdrop in the short-term market was evident in connection with this week's offering of Hiram Walker-Gooderham & Worts and Hiram Walker & Sons to-to15-year serial debentures.

**Dealers found that, reversing recent form, it was the shorter maturities that were slow in moving while the intermediate and longer maturities went out quite readily.**

### Public Shows Apathy

Investment interests find the public in an apathetic frame of mind toward securities and even an element of overpricing increases the difficulty in marketing an issue.

With the SEC pushing for equity financing wherever possible, it develops that the general public is least interested of all in common stocks.

**This attitude is ascribed in investment and market circles largely to the restrictions imposed by the Federal Agency on the nation's securities exchanges, which have served to throttle public interest in junior equities.**

It is still possible, according to dealers, to buy some of the issues recently offered, as, for example, the Central Illinois Public Service 3⅜s brought out several weeks ago.

### West Texas Utilities Co.

A refunding operation, involving the issue of some $18,000,000 of new bonds, is expected to be launched shortly by the West Texas Utilities Co., unit of the Middle West Corp. group.

**This company, it is understood, plans to file shortly for refinancing of its $18,000,000 of 3¾% 1st mortgage series A bonds due May 1, 1969, brought out only a little more than two years ago at 101¾.**

In anticipation of a call for bids on this issue it is understood that three banking groups are in process of formation, two of which will be headed by firms that were allied in handling the 1939 marketing for the company.

### Virginia Public Service

With the SEC hearings on its recapitalization plan expected to be completed in the near future the Virginia Public Service Company should be ready to proceed with its refinancing shortly.

**Since the plan conforms closely to that put forward by the SEC no serious objections are expected to grow out of the hearings. Refinancing will involve some $52,000,000 of new securities, including $22,800,000 of first mortgage 3 1/3s, $5,700,000 of serial notes, 70,000 shares of 5½% preferred and 628,333 shares of common stock.**

Three banking groups are said to be preparing to bid for the securities when, as and if issued under the plan.

### ABA Versus IBA

Investment bankers and commercial bankers may be quite chummy in a social way. But when the chips are down friendships quite evidently are out.

**A. L. M. Wiggins, of the American Bankers Association, left no doubt in anyone's mind as to where his organization stood on the proposal by the Investment Bankers Association to force registration of new securities sold directly by private negotiation.**

"Stripped of its legal verbiage and reduced to its real objective," he told the House Interstate Commerce Committee, "the purpose of this proposal is to divert into the hands of investment dealers and underwriters part of the present flow of funds now secured by business and industry from banks and other institutions."

## E. R. Schwabach & Co. NYSE Firm, To Be Formed

E. Richard Schwabach, member of the New York Stock Exchange, and Richard H. Frankenbush will form E. R. Schwabach & Co., with offices at 25 Broad Street, New York City, as of Dec. 1st. Mr. Schwabach has been in business as an individual floor broker. Mr. Frankenbush was a partner in Deery & White.

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## Tomorrow's Markets Walter Whyte Says—

*(Continued from Page 1107)*

consider any factors removed from market action. But being human and with the market acting as it is I cannot help but look for reasons.

* * *

I have no illusions about how much good a pat on the head or a kick in the other end of the spine, will do coming from me. But neither can I stand aside and listen to some of the pet theories expounded today as a cure-all for business and market lassitude. Markets don't go up on legislation, at least not for long, unless the group legislated against or for, cooperates. The same thing conversely is not true of legislation that tends to reduce or hamper market activity. For in the latter case the factors of fear and resentment play an important role.

* * *

Another factor largely attributed by the rank and file as responsible for the present market is tax selling. Goodness knows that with 1941 drawing to a close—a year that brought more security losses than profits—the establishment of losses for tax purposes is heavy. And with more and heavier taxes in the offing, selling is bound to increase as the date for registering losses draws closer.

* * *

But the market, which is supposed to be saying something all the time, isn't saying anything (at least not to me) that would indicate any new development. Quite the contrary the market seems to act as confused as the average trader, professional or amateur. There are days when it whispers "up" (there were three such days last week) but the promise it whispers never seems to come closer to realization. Subsequent days are filled with declines; those dull deadly affairs that sap people's vitality. But even the threats of deeper declines never seem to be more than threats. The whole thing is confusing and to paraphrase Shakespeare "signifying nothing."

* * *

One of the few remaining comforts in a market given over to cross currents of optimism and pessimism is the action of individual securities. Here at least there is a solid ground on which to base judgment and action. There are certain levels—prices—at which support supposedly exists, these are determined by technical behaviour. So long as certain stocks hold above them it is to be assumed that their individual trend is up. But let them be violated—emphatically—then the opposite become the case. Specifically I refer to stocks in our list:

* * *

Bendix was recommended at 37, stop at 34. After all the hullabaloo the stock is still about 37 and at no time did it break the 34 figure.

* * *

Gulf, Mobile & Ohio., pfd., bought at 20, stop at 17, is another one that has managed to keep it's head in all the selling. On weak days it just isn't traded; it comes out on dull days and then it acts well.

* * *

N. Y. Shipbuilding bought at 15, stop at 26, was hit by an x-day of $2, still it manages to stay up there with the rest of the good actors.

* * *

U. S. Steel, a recent acquisition, recommended at 53, stop at 49, has, despite the coal strike, acted well. Right now it's at 52 but a $1 dividend came the other day so theoretically it's 53.

* * *

The last stock in our list is Warner Bros. bought at 5, stop at 3¾. As I write this it's coming out in gobs at 5 and behaving well. And at no time was the stop even seriously threatened.

* * *

In conclusion I suggest disregarding theories and sticking to stocks, at least so long as they stay above critical levels.

More next Thursday.

—Walter Whyte

*[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]*

## Investment Trusts

*(Continued from Page 1111)*

period of peace and prosperity may lie beyond today's troubled outlook."

### Investment Company Briefs

Gratifying to the investment trust fraternity has been the ready institutional acceptance of the debentures of the redeemable-share type leverage companies. Lord, Abbett's "Abstracts" has published a recent recapitulation of the institutional placement of Affiliated Fund Debentures:

| | |
|---|---|
| Banks as trustee | 173 |
| Individuals as trustee | 133 |
| Financial institutions | 77 |
| Fraternal organizations, hospitals, &c. | 51 |
| Banks, &c. | 30 |
| Schools, colleges, universities | 14 |
| Insurance companies | 12 |
| Miscellaneous companies | 11 |

* * *

National Securities & Research Corporation has published the following comparison of the favarable movement of bond series and low-priced bonds in October as compared to the changes in Dow-Jones Industrial Average Index and Moody's Baa Bond Index:

| | Offering Price 9-30-41 | Offering Price 10-31-41 | Percent Change |
|---|---|---|---|
| National bond series | $6.30 | $6.37 | +1.11 |
| National low-priced bond series | 5.46 | 5.51 | +0.92 |
| Moody's Baa bonds (index) | 91.48 | 92.06 | +0.63 |
| Dow Jones 30 industrials (index) | 126.82 | 117.82 | —7.10 |

* * *

"Maintaining the Good Health of Your Investment Account," an interesting little folder from The Keystone Corp., illustrates the advisability of regular investment supervision. By way of comparison it reminds you that your doctor could serve you better if, instead of waiting until you have an ache or a pain to call him, you consult him regularly; or that you don't wait until a jumping toothache drives you to his office—the regular six months' check-up avoids pain, needless expense, and serious loss.

In a like manner, your investment dealer is in a position to maintain the good health of your investment account. He has an advantage over medical advisors—without bothering you he is able to diagnose your account as frequently as the rapid changes of the time dictate, to offer specific advices so that any small spots of "decay" can be corrected before serious damage is done.

## NYSE Weekly Firm Changes

The New York Stock Exchange has announced the following firm changes:

Transfer of the Exchange membership of Harry K. Smith, partner in Shearson, Hammill & Co., which will continue as a member firm, to Howard Drummond, partner in Drummond & Sierck, New York City, will be considered on Nov. 27th. Mr. Drummond will continue as a partner in Drummond & Sierck.

Transfer of the Exchange membership of Byrd W. Wenman, Jr., to Irving Blumenthal, New York City, will be considered on Nov. 27th. It is understood that Mr. Blumenthal will act as an individual floor broker.

Arthur Barnwell & Co., 100 Broadway, New York City, has been reorganized. Arthur Barnwell and Charles Davis, both Exchange members, continue as partners in the firm.

# UP-TOWN AFTER 3

### NEW PLAYS

**"Macbeth" presented by Mr. Evans at the National Theatre with Maurice Evans and Judith Anderson in the Shakespeare play. Staged by Margaret Webster; scenery by Samuel Leve.**

This is theatre, heavy theatre, but theatre at its best. Maurice Evans plays Macbeth with a realism that brings the play to life. His sonorous renditions are delivered with such passion that all previous Macbeths are paled into significance. Judith Anderson's Lady Macbeth is a faithful replica of the hard bitten lady consumed by ambition. She, probably more than anyone else in the cast, brings fire and spirit to a play that is difficult to transpose to the modern stage. It would be pointless to discuss the plot. It's familiar to every schoolboy. But it is to the point to give credit to Margaret Webster's stagecraft which gives the play the swift action and makes watching it such a genuine pleasure.

**"Theatre" with Cornelia Otis Skinner supported by Arthur Margetson, Viola Roache, Helen Flint, John Moore and Frederick Bradlee. Presented by John Golden at the Hudson Theatre, N. Y.**

"Theatre" may not be the best play of the season but if not, it's almost as good a comedy as any of the more popular Broadway hits. It moves rapidly and smoothly and if the outcome is never in doubt, and the plot hackneyed, it serves the purpose it was intended to serve—amuse. The story deals with the theatre, more specifically it deals with a couple of famous actors who though secretly divorced, live together for business reasons. The wife, concerned at her loss of glamour, fastens on a young man to prove to her husband, and herself, that she still has sex appeal. Husband ties up with another lady, a friend of his wife's, gives up the stage, and goes off yachting with her. Wife goes on alone to produce, direct and star in new play. Husband, fed up with off-stage life, returns and all is forgiven. Doesn't sound like much, does it? Still Miss Skinner as the wife does a grand job and Arthur Margetson as husband gives his role credibility. The lines are amusing; the plot is light and there are as many laughs in "Theatre" as one can comfortably take in an evening. And after all is said and done what more can one ask?

**About-The-Town** . . . The swank east side carriage trade turned out en masse to see **Renee DeMarco** dance at **Fefe's Monte Carlo on East 54th Street.** Society with a capital "S" arrayed in all its finery was there. But what interested me most was the sweater girl, **Lana Turner,** who was making with the eyes at **Alexis Thompson,** owner of the pro-footballers the Pittsburgh Steelers. Yes sir, I danced with Lana. All right, if you want to be a stickler, so I didn't exactly dance with her but I danced on the same floor and at the same time and who am I to stand on technicalities. At one time we even engaged in a little accidental derriere anatripsis (boy! there's a word for you. I lifted it right out of the Thesaurus so if it doesn't mean what I think blame Roget!) But to get back to Miss DeMarco. She dances beautifully and her perfect rhythm is something to watch. To see her dancing alone you'd never think she always danced with a partner; she's that perfect. **Ted Straeter's** band accompanied delightfully. The alternate orchestra is **Bob Knight,** his electric guitar and his outfit. Both bands are top flight organizations and both play grand dance music. If the **Monte Carlo** proper is a little too crowded these nights try the annex, **the Beach,** it adjoins the main room. The headwaiter of the Beach is young **Bobby Melo,** son of the very austere **Melo** who is the major domo in the **Monte Carlo** proper. Young Bobby is a handsome kid. In fact he's so handsome that young things continually ask for him. And at least one, **Esme O'Brien,** keeps bringing him all kinds of gadgets and puzzles that are supposed to keep him amused. They'd drive me wacky (the gadgets, not the young things). And while you're there take a gander at **Edith** the hat check gal. She's a well formed wench whose black hair and black eyes keep the boys crowding around. That guy **Fefe Ferry** sure knows how to pick 'em. . . . **The Versailles (E. 50th)** has speeded up its show to the point that it's now a lot better. The girls of the ensemble are all lookers of the first water. . . . **Hotel Roosevelt's Grill Room** is jamming them in these cool nights. Two reasons: better than average hotel food and **Guy Lombardo's** boys who beat out the rhythms. . . . One of the prettiest newspaper gals around town is the society scribbler for the N. Y. Daily News, **Barbara Boston.** She writes about the glamour set when she makes so much better copy herself. Hya! Beautiful!! . . . Of course if husband **Lyon Boston** reads this I'm just kiddin' . . . One of the best rhumba dancers in the newspaper set is **Danton Walker** also of the Daily News. . . . And one of the worst is none other than your humble reporter. Even radio's gift to New York's night life, the gorgeous **Ora Hope,** thinks he's impossible. . . . Okay! Take it away. I'm going to get me a flock of dancing lessons that'll make me the envy of the town.

## Weekly Treasury Bill Offering Raised

Secretary of the Treasury Morgenthau announced on Nov. 13 a $50,000,000 increase in the weekly offering of 91-day Treasury bills. The purpose of this move, the Secretary said, is to avoid any new major financing in November. For the past four weeks the Treasury had been selling $150,000,000 worth of new bills, using $100,000,000 to take care of maturing issues with the remaining $50,000,000 representing "new money." Mr. Morgenthau said that "until further notice" the Treasury would offer $200,000,000 weekly in bill issues.

The Secretary announced on Nov. 17 that the tenders for the first $200,000,000 offering of 91-day Treasury bills, dated Nov. 19 and maturing Feb. 18, 1942, were opened at the Federal Reserve Banks on Nov. 17. The following details of this issue are revealed:

| | |
|---|---|
| Total applied for | $439,350,000 |
| Total accepted | 200,167,000 |

Range for accepted bids (excepting three tenders totaling $385,000):

High—99.980. Equivalent rate approximately 0.079%.

Low—99.922. Equivalent rate approximately 0.309%.

Average price—99.935. Equivalent rate approximately 0.258%.

(70% of the amount bid for at the low prices was accepted.)

There was a maturity of a similar issue of bills on Nov. 19 in amount of $100,227,000.

# Calendar of New Security Flotations

## OFFERINGS

**SAN DIEGO GAS & ELECTRIC CCO.**

San Diego Gas & Electric Co. registered with the SEC 246,750 shares of common stock, $10 par value

**Address**—861 Sixth Ave., San Diego, Cal.

**Business**—An operating public utility company, supplying electricity and natural gas service in and adjacent to city of San Diego, Cal.

**Underwriters**—Blyth & Co., Inc.

**Offering**—The shares will be offered to the public, at a price to be supplied by amendment.

**Proceeds** will be added to company's treasury funds and will be used for capital additions made and to be made, also possibly for discharge of bank loans

**Registration Statement** No. 2-4874. Form A2 (11-3-41 San Francisco)

**Effective** 4:45 p.m., E.S.T., on Nov. 12, 1941.

**Offered** Nov. 13, 1941, at $13 per share.

**SUPERIOR OIL CO.**

Superior Oil Co. registered with SEC $15,000,000 3½% debentures, due Nov. 1, 1956

**Address**—930 Edison Bldg., Los Angeles, Cal.

**Business**—Engaged in acquisition through purchase, lease, or otherwise, of prospective and proven oil lands; exploration and development of such lands, and the production and sale of crude oil and natural gas. Also, purchases crude oil and natural gas, primarily from the lessors of oil lands leased by it. Company is not engaged in refining or processing crude oil

**Underwriters**—The principal underwriter is Dillon, Read & Co., New York; others will be named by amendment

**Offering**—The debentures will be offered to the public, at a price to be supplied by amendment

**Proceeds** will be used to redeem the outstanding $9,800,000 of company's 3¼% debentures, due April 1, 1950, at 103, requiring $10,094,000; balance of proceeds will be added to company's general funds, to be used for corporate purposes.

**Registration Statement** No. 2-4876. Form A2. (11-5-41)

**Effective** 11:45 a.m., E.S.T., Nov. 15, 1941.

**Offered** Nov. 17, 1941, at 103 and int.

**WESTINGHOUSE ELECTRIC & MANUFACTURING CO.**

Westinghouse Electric & Manufacturing Co. registered with the SEC $20,000,000 of debentures, due Nov. 1, 1951. The interest rate will be supplied by amendment.

**Address**—306 Fourth Ave., Pittsburgh, Pa.

**Business**—Company and subsidiaries engaged in manufacture and sale of machinery, apparatus and applicances for generation, transmission, utilization and control of electricity and in the manufacture and sale of steam turbines and associated equipment

**Underwriters**—Names of the underwriters, and the amount of the debentures underwritten by each, are as follows:

| | |
|---|---|
| Kuhn, Loeb & Co. | $2,000,000 |
| A. C. Allyn & Co., Inc. | 225,000 |
| Baker, Weeks & Harden | 150,000 |
| A. G. Becker & Co., Inc. | 350,000 |
| Blair & Co., Inc. | 225,000 |
| Blyth & Co., Inc. | 700,000 |
| Bonbright & Co., Inc. | 500,000 |
| Central Republic Co., Inc. | 225,000 |
| Clark, Dodge & Co. | 225,000 |
| Dominick & Dominick | 350,000 |
| Drexel & Co. | 500,000 |
| Eastman, Dillon & Co. | 225,000 |
| Estabrook & Co. | 225,000 |
| The First Boston Corp. | 700,000 |
| Glore, Forgan & Co. | 1,000,000 |
| Glover & MacGregor, Inc. | 100,000 |
| Goldman, Sachs & Co. | 600,000 |
| Grubbs, Scott & Co. | 100,000 |
| Hallgarten & Co. | 300,000 |
| Harriman Ripley & Co., Inc. | 700,000 |
| Hayden, Stone & Co. | 225,000 |
| Hemphill, Noyes & Co. | 350,000 |
| Hornblower & Weeks | 225,000 |
| W. E. Hutton & Co. | 500,000 |
| Jackson & Curtis | 225,000 |
| Kidder, Peabody & Co. | 500,000 |
| Ladenburg, Thalmann & Co. | 500,000 |
| Lazard Freres & Co. | 500,000 |
| Lee Higginson Corp. | 500,000 |
| Lehman Brothers | 825,000 |
| A. E. Masten & Co. | 100,000 |
| Mellon Securities Corp. | 1,200,000 |
| Merrill Lynch, Pierce, Fenner & Beane | 350,000 |
| Moore, Leonard & Lynch | 150,000 |
| F. S. Moseley & Co. | 350,000 |
| Paine, Webber & Co. | 225,000 |
| E. H. Rollins & Sons, Inc. | 350,000 |
| Schoellkopf, Hutton & Pomeroy, Inc. | 200,000 |
| Schroder Rockefeller & Co., Inc. | 225,000 |
| Shields & Co. | 225,000 |
| Singer, Deane & Scribner | 150,000 |
| Smith, Barney & Co. | 700,000 |
| Stone & Webster and Blodget, Inc. | 425,000 |
| Spencer Trask & Co. | 225,000 |
| Union Securities Corp. | 600,000 |
| White, Weld & Co. | 225,000 |
| Whiting, Weeks & Stubbs, Inc. | 200,000 |
| Dean Witter & Co. | 350,000 |

**Offering**—The debentures will be offered to the public, at a price to be supplied later by amendment to registration statement

**Proceeds** will be used for payment of outstanding bank loans, for capital additions, improvements and betterments, and for working capital

**Registration Statement** No. 2-4878. Form A2. (11-6-41)

**Effective** 12:30 p.m., E.S.T., Nov. 13, 1941.

**Offered** Nov. 13, 1941, at 101½ and int.

*This advertisement appears as a matter of record only and is under no circumstances to be construed as an offering of these shares for sale, or as an offer to buy, or as a solicitation of an offer to buy, any of such shares. The offering is made only by the Prospectus. This advertisement is published on behalf of only those of the undersigned who are registered dealers in this State.*

246,750 Shares

San Diego Gas & Electric Company

Common Stock

Par value $10 per share

Price: $13 per Share

*Copies of the Prospectus may be obtained only from such of the undersigned as are registered dealers in securities in this State.*

Blyth & Co., Inc.

Dean Witter & Co. — Smith, Barney & Co. — Harriman Ripley & Co. Incorporated

Stone & Webster and Blodget Incorporated — Merrill Lynch, Pierce, Fenner & Beane

Bankamerica Company — H. M. Byllesby and Company Incorporated — William R. Staats Co.

November 13, 1941

***Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.***

***These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).***

***Offerings will rarely be made before the day following.***

### THURSDAY, NOV. 20

**MARMON-HERRINGTON CO., INC.**

Marmon-Herrington Co., Inc., registered with SEC 150,000 shares common stock, $1 par value

**Address**—1511 W. Washington St., Indianapolis, Ind.

**Business**—An outgrowth of the truck department of the former Marmon Motor Car Co., company is engaged in the manufacture, assembly, sale of heavy duty trucks, Ford conversion units, tracklaying tractors, military combat vehicles and other special military equipment. Unfilled orders of company totaled $23,712,126 on Oct. 20, 1941, of which a large portion are for track-laying military combat vehicles of various types, the production of which is just getting under way

**Underwriting**—All of the 150,000 shares registered are already issued and outstanding, and are to be purchased from three selling stockholders by Brown, Schlessman, Owen & Co., Denver, Colo., at $8 per share. Underwriter may form an underwriting group for the stock

**Offering**—The shares will be offered to the public at a price of $10 per share.

**Proceeds** will be received by the three selling stockholders

**Registration Statement** No. 2-4873. Form A2. (11-1-41)

**Effective** 12:20 p.m., E.S.T., on Nov. 14, 1941.

### SUNDAY, NOV. 23

**CAROLINA TELEPHONE & TELEGRAPH CO.**

Carolina Telephone & Telegraph Co. registered with SEC 10,625 shares common stock, $100 par, and subscription warrants evidencing rights to subscribe for such 10,625 shares common stock

**Address**—122 St. James St., Tarboro, N. C.

**Business**—This operating company is engaged in the telephone business in the eastern part of North Carolina. About 31.67 of its common stock is owned by Southern Bell Telephone & Telegraph Co. (a subsidiary of AT&T)

**Underwriters**—There is no underwriting involved in connection with this financing

**Offering**—Common stockholders of record Nov. 26, 1941, are being granted transferable warrants to subscribe at $100 per share for the 10,625 shares of common stock, at the rate of one share for each 4 shares then held. Warrants expire Dec. 29, 1941. Company reserves right to reoffer for sale, at a price in no event less than $100 per share, such of the 10,625 shares of common stock as are not subscribed for by stockholders in the exercise of the warrants

**Proceeds** to payment of $830,000 of bank loans, balance for plant and equipment additions and betterments, and for working capital

**Registration Statement** No. 2-4875. Form A2 (11-4-41)

### MONDAY, NOV. 24

**PACIFIC TELEPHONE & TELEGRAPH CO.**

Pacific Telephone & Telegraph Co. registered with the SEC 656,250 shares of common stock, $100 par value.

**Address**—140 New Montgomery St., San Francisco, Calif.

**Business**—Company and its subsidiaries provide telephone service in about 650 exchanges in California, Nevada, Oregon, Washington and northern Idaho, including San Francisco, Oakland, Berkeley, Sacramento, Portland, Seattle, Spokane, Tacome, Los Angeles, San Diego and Pasadena. Company is controlled by American Telephone & Telegraph Co.

**Underwriters**—No underwriters named in registration statement.

**Offering**—The 656,250 shares common stock will first be offered by company to its stockholders of record Dec. 1, 1941, through warrants at a price of $100 per share. The warrants will expire on Dec. 31, 1941. The unsubscribed portion of such shares will later be offered to the public, at not less than $100 per share. Further details as to the offering will be supplied by amendment.

**Proceeds** will be used to repay advances from the parent company, and any excess is to be used for plant extensions, additions and improvements, and for working capital.

**Registration Statement** No. 2-4879. Form A2. (11-6-41-San Francisco)

**UNITED FUNDS, INC.**

United Funds, Inc., registered with SEC 300,000 shares of United Income Fund Shares; and $8,000,000 principal amount of Stock Purchase Agreements covering periodic payments toward the purchase of United Accumulative Fund Shares previously registered

**Address**—1420 Walnut St., Philadelphia, Pa. (executive office); Kansas City, Mo. (home office)

**Business**—Investment trust.

**Underwriter**—United Funds Management Corp.

**Offering**—The 300,000 shares of United Income Funds Shares, will be offered to public at the prevailing market price

**Proceeds** for investment purposes

**Registration Statement** No. 2-4877. Form A1. (11-5-41)

### WEDNESDAY, NOV. 26

**CONSOLIDATED AMUSEMENT CO., LTD.**

Consolidaaed Amusement Co., Ltd., registered with SEC 50,000 shares common stock, no par

**Address**—Honolulu, Hawaii

**Business**—Engaged in exhibiting motion pictures in theatres owned or operated by it on the Islands of Oahu, Hawaii and Kauai in the Territory of Hawaii and of distributing motion pictures for exhibition purposes to other exhibitors on the Islands of Oahu, Hawaii, Maui, Lanai, Molokai and Kauai in the Territory of Hawaii

**Underwriters**—None

**Offering**—The shares will be offered for subscription at $10 per share pro rata to holders of common stock of record Oct. 15, 1941, on a one for three basis, through warrants, exercisable up to and including Dec. 27, 1941. Unsubscribed portion of such 50,000 shares will be sold at public auction in Honolulu. There is no underwriting in connection with this offering. Of the 50,000 shares so offered, 33,813 shares will upon their issuance be subject to the Voting Pool Agreement, as extended to April 15, 1950

**Proceeds** will be used to redeem, on Dec. 10, 1941, the outstanding 6% Series A cumulative preferred stock of company

**Registration Statement** No. 2-4880. Form A2. (11-7-41)

**Consolidated Amusement Co., Ltd.**, also filed registration statement with SEC covering voting trust certificates to be issued for a maximum of 33,813 shares of common stock, no par, registered above (2-4880)

**Registration Statement** No. 2-4881. Form F1 (11-7-41)

**1061 ROSEMONT AVE. BUILDING CORP.**

Lucius Teter, et al, voting trustees of 1061 Rosemont Ave. Building Corp., registered with SEC voting trust certificates for 5,029 shares common stock, no par, of the corporation

**Address**—Chicago, Ill.

**Business**—Corporation owns and operates an apartment hotel building in Chicago, Ill.

**Offering**—The voting trust certificates are to be issued under a plan to extend the life of the existing voting trust agreement from Dec. 9, 1941, to Dec. 9, 1951

**Registration Statement** No. 2-4882. Form F1 (11-7-41)

### MONDAY, DEC. 1

**MARSHALL FIELD & CO.**

Marshall Field & Co. registered with SEC 230,000 shares of no par common stock.

**Address**—222 N. Bank Drive, Chicago, Illinois.

**Business**—Consists of ownership and operation (a) of department stores distributing high quality merchandise, (b) of various textile and floor covering mills whos products are distributed in bulk, and (c) of The Merchandise Mart and other real estate in Chicago.

**Underwriters** (all of Chicago)—Glore, Forgan & Co., 86,250 shares; Lee Higginson Corp., 86,250 shares; Shields & Co., 57,500 shares.

**Offering**—The 230,000 shares are already issued and outstanding, and are to be offered to the public for the account of certain selling stockholders at a price to be supplied by amendment.

**Registration Statement** No. 2-4883. Form A-2 (11-12-41).

It was announced Nov. 18 that the number of shares to be offered would be reduced to 135,000, comprising 122,000 shares from the holdings of Marshall Field III and 13,000 shares from the holding of Barbara Field Bliss.

**PACIFIC GAS & ELECTRIC CO.**

Pacific Gas & Electric Co. registered with SEC $25,000,000 first and refunding mortgage series K 3% bonds, due June 1, 1971.

**Address**—San Francisco, Cal.

**Business**—Operating gas and electric utility company.

**Underwriters**—Blyth & Co., Inc., is named principal underwriter.

**Offering**—The bonds will be offered to the public at a price to be supplied by amendment to registration statement.

**Proceeds** will be used to reimburse company's treasury for moneys expended for capital purposes, such treasury funds to be used for construction and working capital.

**Registration Statement** No. 2-4884. Form A-2 (11-12-41 San Francisco)

### TUESDAY, DEC. 2

**FLINTKOTE CO. (THE)**

The Flintkote Co. registered with SEC 35,000 shares common stock, no par.

**Address**—30 Rockefeller Plaza, New York, N. Y.

**Business**—Directly or through subsidiaries, engaged in manufacture and sale of various asphalt and asbestos-cement roofing and siding products, structural and decorative insulation board products, asphalt emulsions, chipboards and boxboards, solid and corrugated containers, set-up and folding boxes, dry and saturated felts, rubber compounds and allied products.

**Underwriters**—None.

**Offering**—The 35,000 shares of common stock will be reserved for issuance by company to certain officers and employees of company and its subsidiaries from time to time, at not less than the then prevailing market price for company's common stock.

**Proceeds** will be applied toward, or will be used to reimburse company for expenditures made in connection with, construction or acquisition of additional felt mill facilities in Vernon, Cal.

**Registration Statement** No. 2-4885. Form A-2. (11-13-41)

**MIDWEST TOOL & MANUFACTURING CO.**

Midwest Tool & Manufacturing Co. registered with SEC 50,000 shares common stock, $1 par.

**Address**—Detroit, Mich.

**Business**—Manufacturer of precision cutting tools, etc.

**Underwriter**—Keane & Co.

**Offering**—The 100,000 shares will be offered to the public at $2 per share. Of the shares registered, 27,125 shares are to be offered for the account of the company, and the remaining 22,875 shares (already issued and outstanding) will be offered for the account of two selling stockholders.

**Proceeds** to company from sale of the 27,125 shares will be used for payment of outstanding bank loans, final installment on sales contract, and the balance for working capital.

**Registration Statement** No. 2-4886. Form S-2 (New form) (11-13-41 Cleveland).

### THURSDAY, DEC. 4

**MOBILE GAS SERVICE CORP.**

Mobile Gas Service Corp. registered with SEC $1,400,000 first mortgage bonds, due Dec. 1, 1961 (interest rate to be supplied by amendment), and 6,000 shares 6% cumulative preferred stock, $100 par.

**Address**—162 St. Francis St., Mobile, Ala.

**Business**—An operating utility subsidiary of Consolidated Electric & Gas Co., company furnishes natural gas service at retail in Mobile, Ala., and vicinity.

**Underwriting and Offering**—The bonds and the preferred stock will be sold by company under the competitive bidding Rule U-50 of the SEC's Holding Company Act, as soon as practicable after the registration statement shall have become effective. Names of the underwriters and public offering prices will be supplied by amendment.

**Proceeds** will be applied as follows: To the redemption, at 100 and accrued interest, of the outstanding $876,700 of first mortgage 5% bonds of 1956, the outstanding $637,750 of first mortgage income bonds series A (9%) of 1956, and the outstanding $236,950 of first mortgage income bonds series B (7%) of 1956; balance of $75,000 will be used to establish a construction fund to provide for acquisition or construction of additional property.

**Registration Statement** No. 2-4887. Form A-2 (11-15-41).

**PENNSYLVANIA-CENTRAL AIRLINES CORP.**

Pennsylvania-Central Airlines Corp. registered with SEC 75,000 shares $1.25 cumulative convertible preferred stock, no par; and 150,000 shares of common stock, $1 par, latter to be reserved for issuance upon exercise of the conversion privilege of the convertible preferred stock.

**Address**—Allegheny County Airport, Pittsburgh, Pa.

**Business**—Engaged in the air transportation of passengers, mail and express, over certain routes authorized by the Civil Aeronautics Board.

**Underwriters** and the number of shares of the preferred stock underwritten by each, are as follows:

| | |
|---|---|
| White, Weld & Co., New York | 17,300 |
| Carl M. Loeb, Rhoades & Co., N. Y. | 17,300 |

# Calendar of New Security Flotations

| | |
|---|---|
| Cohu & Torrey, New York | 8,000 |
| Auchincloss, Parker & Redpath, N.Y. | 7,000 |
| O'Brian, Mitchell & Co., Buffalo | 7,000 |
| Kay, Richards & Co., Pittsburgh | 6,500 |
| Stern, Wampler & Co., Inc., Chicago | 4,300 |
| Stroud & Co., Inc., Phila. | 4,000 |
| Mackubin, Legg & Co., Baltimore | 3,600 |

**Offering**—The 75,000 shares of preferred stock will be offered to the public at $25 per share; underwriting commission is $2.25 per share.

**Proceeds**—$1,429,571 will be applied to pay off company's outstanding bank loans, including premium and interest; balance of $247,946 will be added to working capital.

**Registration Statement** No. 2-4888. Form A-2 (11-15-41).

## DATES OF OFFERING UNDETERMINED

**We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.**

**AIR ASSOCIATES, INC.**

Air Associates, Inc., registered with SEC 50,000 shares $1.37½ Cumulative Convertible Preferred Stock, no par; and maximum of 100,000 shares $1 par common stock, latter reserved for issuance upon conversion of the preferred.

**Address**—Bendix Airport, Bendix, N. J.

**Business**—Company is manufacturer and distributor of airplane parts, equipment, material, supplies and accessories.

**Underwriter**—White, Weld & Co., New York, is principal underwriter; others to be named by amendment. Underwriting commission is $2.25 per share.

**Offering**—Preferred stock to be offered amendment.

**Proceeds**—$300,000 to prepay outstanding bank loans; $200,000 for purchase of additional machinery; balance for plant additions and working capital.

**Registration Statement** No. 2-4851. Form A-2. (9-27-41).

The company has filed an amendment to its registration statement with the Securities and Exchange Commission disclosing that its 50,000 shares of $1.37½ cumulative convertible preferred stock will be offered to the public by the following underwriters:

| | Shares |
|---|---|
| White, Weld & Co. | 12,500 |
| Jackson & Curtis | 10,000 |
| Merrill, Lynch, Pierce, Fenner & Beane | 10,000 |
| Stern, Wampler & Co. | 5,000 |
| E. H. Rollins & Sons | 4,000 |
| Pacific Co. of California | 4,000 |
| Mitchum, Tully & Co. | 1,500 |
| Cohu & Torrey | 1,000 |
| Fuller, Cruttenden & Co. | 1,000 |
| Vietor Common & Co. | 1,000 |

**AIRPLANE MANUFACTURING & SUPPLY CORP.**

Airplane Manufacturing & Supply Corp. registered with SEC 69,000 shares common stock, $1 par

**Address**—Lockheed Air Terminal, Burbank, Cal.

**Business**—Purchase, service and sale of airplane equipment

**Underwriters**—G. Brashears & Co., Los Angeles, Cal.

**Offering**—The number of shares to be offered by the underwriter consists of the 69,800 shares currently registered with SEC, and 16,433 shares previously registered with the SEC. Such aggregate of 86,233 shares are already issued and outstanding and are to be offered to public for account of certain selling shareholders to be offered to public at arbitrary prices to be determined by underwriter from time to time with regard to existing circumstances. Such offering price will not exceed 125% not be less than 110% of the highest bid price during the day of sale Underwriting commission on the 86,233 shares of 25 cents per share

**Proceeds** will accrue to the selling stockholders

**Registration Statement** No. 2-4807. Form A-1. Filed (7-31-41) (San Francisco)

**Effective**—3 p.m. E.S.T. Sept. 17 as of 4.45 p.m. Sept. 6, 1941

**AMERICAN BAKERIES CO.**

American Bakeries Co. registered 15,000 shares Class B no par common stock

**Address**—No. 520 Ten Pryor St. Bldg. Atlanta, Ga.

**Business**—Manufacturing and distributing bakery products in souther states

**Underwriter**—None named

**Offering**—Stock will be offered to public at price to be filed by amendment

**Proceeds**—All proceeds will be received by L. A. Cushman, Jr., chairman of board of company, for whose account the stock will be sold

**Registration Statement** No. 2-4714. Form A-2. (3-28-41)

**AUTOMATIC TELEPHONE DIALER, INC**

Automatic Telephone Dialer, Inc. registered 75,000 shares of common stock no par

**Address**—1201 East Grand Street, Elizabeth, N. J.

**Business** — Development of automatic telephone dialing devices

**Underwriter**—None. Stock will be sold through registered brokers and dealers

**Offering**—Public offering price, $3 per share, underwriting commission 75 cents per share

**Proceeds**—For engineering and development expenses and working capital

**Registration Statement** No. 2-4752. Form A-1. (5-5-41)

**Effective** but apparently deficient 4:45 P.M., E.S.T., May 24, 1941

**BEACON ASSOCIATES, INC.**

Beacon Associates, Inc. registered SEC $500,000 6% Participating Sinking Fund Debentures, due July 1, 1971

Beacon Associates, Inc. interest rate on $500,000 Participating Sinking Fund Series A Debentures, due July 1, 1971, changed from 6% to 6½% per annum, according to amendment filed with SEC July 21 1941

**Address**—216 Turks Head Bldg., Providence, R. I.

**Business**—Engaged in the small loan business in Rhode Island and Massachusetts

**Offering**—The Debentures will be offered to the public at 100 by F. L. Putnam & Co., Inc., Boston; underwriting commission is 15%, leaving net price to company of 85

**Underwriter**—F. L. Putnam & Co., Inc., Boston

**Proceeds**—Will be advanced to subsidiary for their working capital or will be used for payment of debt incurred on providing funds for advances to subsidiaries

**Registration Statement** No. 2-4790. Form A-2. (6-27-41)

**Effective**—3:00 P.M. E.S.T., August 22 as of July 17, 1941

**BEAR MINING AND MILLNG COMPANY**

Bear Mining and Milling Co. registered 153,145 shares of common stock, $1 par

**Address** — 513 Majestic Bldg., Denver Colo.

**Business**—Mining and milling

**Underwriter**—None

**Offering**—Stock will be offered publicly at $1 per share, selling commission 35%

**Proceeds** — For development equipment and operation mining property near Breckenridge, Colo.

**Registration Statement** No. 2-4571. Form A-1. (11-12-40)

**BONWIT TELLER, INC.**

Bonwit Teller, Inc. registered 39,334 shares of 5½% cumulative convertible preferred stock, $50 par, and 131,202 shares of common stock, $1 par

**Address**—721 Fifth Avenue, New York City

**Business**—Operation of specialty store in New York City

**Underwriters**—To be filed by amendment

**Offering Terms** — Preferred and common will be publicly offered at prices to be filed by amendment, except that 106,202 common shares will be reserved for conversion of preferred

**Proceeds**—Stock will be sold by Atlas Corp. and the American Co., parents, and no proceeds will be received by the company

**Registration Statement** No. 2-4748. Form A-2. (4-30-41)

**BULLION, INC.**

Bullion, Inc., registered 110,000 shares of $1 par 8% non-cumulative preferred stock and 110,000 shares of common stock ten cent par

**Address**—1st Nat'l Bank Bldg., Deadwood, South Dakota

**Business**—Gold mining

**Underwriter**—None

**Offering**—Preferred will be offered at $1 per share, and common at 10 cents per share

**Proceeds**—For development of mining properties, purchase of machinery and equipment, and working capital

**Registration Statement** No. 2-4763. Form A-O-1 (5-20-41)

**Effective**—4:45 P.M., E.S.T. on Sept. 23, 1941 as of 4:45 P.M., E.S.T., Aug. 10, 1941.

**CHAMPION PAPER & FIBRE CO.**

Champion Paper & Fibre Co. registered with SEC $8,500,000 of first mortgage bonds, due Nov. 1, 1956 (interest rate to be filed by amendment); 40,000 shares $5 cumulative convertible preferred stock, no par; and an indeterminable number of shares of no par common stock, to be reserved for issuance upon conversion of the preferred stock

**Address**—Hamilton, O.

**Business**—Largest domestic manufacturer of the types of paper known in the trade as white papers and book papers, and is one of the largest domestic manufacturers of coated papers

**Underwriters** are W. E. Hutton & Co. and Goldman, Sachs & Co., both of New York, N. Y.

**Offering**—The bonds and preferred stock will be offered to the public, at prices to be supplied by amendment

**Proceeds** will be used to redeem the outstanding aggregate of $8,660,000 of 4¾% sinking fund debentures ($4,125,000 principal amount due 1950, at 104½; $4,535,000 principal amount of the 1938 Issue at 102¼), requiring $8,947,663. Balance of net proceeds will be added to working capital

**Registration Statement** No. 2-4867. Form A2. (10-25-41)

**Amendment Filed**—Company has filed an amendment with the SEC to its registration statement disclosing that the bonds would bear interest at the rate of 3½% per annum. The public offering price of the bonds and the preferred stock will be supplied by later amendment

Also disclosed in the amendment is the names of the underwriters for the bonds and preferred stock, together with the each, as follows (all of New York City, unless otherwise indicated):

| | Prin. amt. of bonds | No. of shs. of pref. stk. |
|---|---|---|
| W. E. Hutton & Co. | $1,700,000 | 8,000 |
| Goldman, Sachs & Co. | 1,700,000 | 8,000 |
| R. S. Dickson & Co. | 127,000 | 600 |
| Drexel & Co., Phila. | 425,000 | 2,000 |
| Field, Richards & Co., Cincinnati | 85,000 | 400 |
| First Boston Corp. | 425,000 | 2,000 |
| Harriman Ripley Co. | 425,000 | 2,000 |
| Hemphill, Noyes Co. | 255,000 | 1,200 |
| Hornblower & Weeks | 340,000 | 1,600 |
| Johnson, Lane, Space & Co., Savannah | 85,000 | 400 |
| Kidder, Peabody Co. | 765,000 | 3,600 |
| Kuhn, Loeb & Co. | 850,000 | 4,000 |
| W. C. Langley & Co. | 340,000 | 1,600 |
| Lee Higginson Corp. | 511,000 | 2,400 |
| Piper, Jaffray & Hopwood, Minneapolis | 127,000 | 600 |
| White, Weld & Co. | 340,000 | 1,600 |

**Offering Deferred**—Company announced Nov. 17 that the offering of the securities has been postponed for the present.

**COLUMBIA GAS & ELECTRIC CORP.**

Columbia Gas & Electric Corp. registered $28,000,000 serial debentures, due 1942 to 1951, and $92,000,000 sinking fund debentures due 1961

**Address**—61 Broadway, N. Y. C.

**Business**—Public utility holding company

**Offering**—Both issues will be publicly offered at prices to filed by amendment

**Proceeds**—To redeem $50,000,000 Deb 5s, 1952; $4,750,700 Deb. 5s, due April 15, 1952; $50,000,000 Deb. 5s, 1961; to purchase $3,750,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co. a subsidiary, and $3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof; and to make a $3,402,090 capital contribution to Cinn., Newport & Covington Ry Co. to enable that Company to redeem its outstanding $3,303,000 1st & Ref. 6s, 1947

**Registration Statement** No. 2-4736. Form A-2. (4-10-41)

**COMPOSITE BOND FUND, INC.**

Composite Bond Fund, Inc., registered with SEC 32,500 shares $1 par common stock.

**Address**—601 Riverside Ave., Spokane, Wash.

**Business** — Open-end investment trust, limited to investments in bonds.

**Underwriting**—Murphey, Favre & Co., Spokane, Wash., is underwriter and distributor, purchasing said shares at the net asset value then in effect for distribution to public at such net asset value plus 8½%.

**Offering**—To be offered to the public at the then prevailing market price.

**Proceeds**—Will be used for investment purposes.

**Registration Statement** No. 2-4825 Form A-1. (8-28-41)

**CROCKER MC ELWAIN CO.**

The Voting Trustees of Crocker McElwain Co. registered with the SEC voting trust certificates, to be issued in exchange for a like number of shares of 1,684 shares of 7% preferred stock, $100 par, and 15,000 shares of common stock, $100 par.

The voting trust certificates provide that the voting trust shall continue in effect until Sept. 2, 1944, unless terminated earlier. Unless terminated according to its terms, the voting trust will continue until Sept. 2, 1947.

Voting trustees are Elmer C. Tucker, Ralph H. Morrill, and Joseph K. Holmes.

**Address**—642 Main St., Holyoke, Mass.

**Business**—Company is engaged in manufacture and sale of paper, with its mill located in Holyoke, Mass.

**Registration Statement** No. 2-4858. Form F-1. (10-11-41).

**Effective** 4:45 p.m., E.S.T., on Nov. 15, 1941.

**EATON & HOWARD BALANCED FUND**

Eaton & Howard Balanced Fund registered with SEC 500,000 Trust Shares

**Address**—25 Federal St., Boston, Mass.

**Business**—Investment Trust

**Offering**—The shares will be offered to the public, at the market

**Underwriters**—Eaton & Howard, Inc., Boston

**Proceeds**—For investment

**Registration Statement** No. 2-4860. Form A2 (10-15-41)

**Effective**—4 p. m., E.S.T., on Nov. 5, 1941

**ELMORE OIL CORP.**

Elmore Oil Corp. registered with SEC 14,000 shares common stock, $5 par value

**Address** — Stevens-Harle Bldg., Durant, Okla.

**Business**—Engaged in the oil business, buying, selling oil and/or gas leases; owns and operates certain oil and gas leases and equipment in Brown and Jack Counties, Tex.

**Underwriters**—None

**Offering**—The shares will be offered to the public direct by company, at $5 per share

**Proceeds** will be used for drilling of 5 additional wells, the equipping of a certain lease, and for working capital

**Registration Statement** No. 2-4864. Form A-1. (10-21-41)

**FLORIDA POWER & LIGHT CO.**

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956; and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

**Address**—25 S. E. Second Ave., Miami, Fla.

**Business**—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas), serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

**Underwriting and Offering**—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

**Proceeds** will be applied as follows: $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment.

**Registration Statement** No. 2-4845. Form A2. (9-17-41).

**HOUSTON LIGHTING & POWER CO.**

Houston Lighting & Power Co. registered with SEC an indeterminate number of shares of its common stock, no par (Company has outstanding 500,000 shares of common stock, of which 499,987 shares are held by its parent National Power & Light Co., which latter company also holds options to purchase the remaining 13 shares of outstanding common stock of company).

**Address**—900 Fannin St., Houston, Tex.

**Business**—Company is an operating public utility company principally engaged in generating, transmitting, distributing and selling electricity at retail and wholesale, serving 150 communities and an extensive rural area in Texas, including cities of Houston and Galveston.

**Underwriter**—None.

**Offering** — No public offering contemplated initially. Company is advised by National Power & Light, that that company has filed with SEC a declaration under the Holding Company Act contemplating, initially, the exchange of common stock of company which National Power & Light owns, for the $6 preferred stock of National Power & Light Co. and also contemplating that if, upon termination of such proposed exchange plan, National Power & Light still holds as much as 5% of common stock of company, it will dispose of such holdings as promptly as shall be practicable in light of then market and other conditions and with the best interests of its security holders in mind. After such disposition, company will have ceased to be either a subsidiary or an affiliate of National Power & Light Co. or Electric Bond & Share Co.

**Registration Statement** No. 2-4827 Form A-2. (8-29-41)

**INVESTORS MUTUAL FUND, INC.**

Investors Mutual Fund, Inc., registered with SEC investment certificates representing an equitable interest in the following two classes of Special Stock of company: (I) Investors Diversified Fund: (a) 60 units of $1,200 each of Monthly Payment Certificates without life insurance protection permitting aggregate payments of $720,000; (b) 400 units of $1,200 each of Monthly Payment Certificates with life insurance protection permitting aggregate payments of $480,000; and (c) 2,000 units of $250 each of Full Paid Certificates requiring aggregate payment of $500,000; (II) Investors Corporate Fund: (a) 600 units of $1,200 each of Monthly Payment Certificates without life insurance protection permitting aggregate payments of $720,000; (b) 400 units of $1,200 each of Monthly Payment Certificates with life insurance protection permitting aggregate payments of $480,000; and (c) 2,000 units of $250 each Full Paid Certificates requiring aggregate payments of $500,000.

The number of shares to be issued of the classes of Special Stock designated as Investors Diversified Fund and Investors Corporate Fund, respectively, are indeterminable in advance. However, shares of each class of Special Stock will be issued in such amounts as are necessary to meet the investment requirements of Investors whose Net Payments upon the Certificates covered by this registration statement will be applied to the purchase of such shares of Special Stock from time to time. The Shares will be first issued at $10 each, then at net asset value

**Address**—1016 Baltimore Ave., Kansas City, Mo.

**Business**—Investment trust

**Underwriters**—Investors Fund, Inc.

**Proceeds** for investment purposes

**Registration Statement** No. 2-4869. Form A1 (10-29-41)

**ILLINOIS COMMERCIAL TELEPHONE CO**

Illinois Commercial Telephone Co. registered with SEC $5,750,000 of first mortgage 3⅜% bonds, due Oct. 1, 1971; and 24,000 shares of $5 cumulative preferred stock no par

**Address**—607 E. Adams St., Springfield, Ill.

**Business**—This subsidiary of General Telephone Co. is engaged in providing, without competition, telephone service to 180 communities and surrounding territories in Illinois, including Kewanee, Monmouth, Macomb, Lincoln, Belvidere, Harrisburg, Olney, Mendota and Mt. Carmel

**Underwriters**, and amount of bonds and preferred stock underwritten by each, follow:

| | Amt. of Bonds | No. of Shs. of pfd. stk. |
|---|---|---|
| Bonbright & Co., Inc., New York | $2,875,000 | 12,000 |
| Paine, Webber & Co., New York | 2,156,000 | 9,000 |
| Mitchum, Tully & Co., Los Angeles | 719,000 | 3,000 |

**Offering**—Bonds and preferred stock to be offered to the public at a price to be supplied by amendment to the registration statement

**Proceeds** from sale of the bonds and preferred stock, together with $105,000 received from sale of 7,000 additional shares common stock, will be used in part to retire following securities of company: $5,750,000 First Mortgage Series A 3¾% bonds, due June 1, 1970, at 105½; 17,098 shares $6 preferred stock, at $110 per share; 1,108 shares $6 preferred stock, owned by parent company, at latter's cost Balance of net proceeds will be used to purchase from General Telephone Corp the outstanding capital stocks of Central Illinois Telephone Co. and Illinois Standard Telephone Co., to make additions and betterments to company's plant and property, and for other corporate purposes

**Registration Statement** No. 2-4866. Form A2. (10-24-41)

**KENSINGTON MINES, INC.**

Kensington Mines, Inc. has filed a registration statement covering 565,000 shares of $1 par 6 per cent cumulative preferred stock and the same number of shares of 1 cent par common 35,000 shares of $1 par 6 per cent cumulative preferred shares previously sold to promoters at $1 and 1,320,000 shares of 1 cent common previously sold to promoters at 2.65 cents a share

**Address**—Seattle, Washington

**Business**—Mining and Milling

**Proceeds** — For property, construction, development and working capital

**Underwriters**—Kressly and Campbell

**Registration Statement** No. 2-4697. Form A-1. (3-21-41)

**Effective**—4:45 P.M., E.S.T., April 9, 1941

**KIRKLAND GOLD RAND, LTD**

Kirkland Gold Rand, Ltd., registered with SEC, under refiling, 500,000 shares common stock $1 par

**Address**—360 St. James St., West, Montreal, Quebec, Canada

**Business**—Engaged in development, acquiring, holding, selling and operating gold, silver and other mineral mines. Company is still in the development stage

**Underwriters**—To be named by amendment

**Offering**—Above shares to be offered to public at $1.25 per share; underwriting commission is 43¾ cents per share

**Proceeds**—For development, purchase of equipment and working capital

**Registration Statement** No. 2-4727. Form A-1. Refiled (6-16-41)

**LA CROSSE TELEPHONE CORP.**

La Crosse Telephone Corp. registered 12,080 shares of common stock, $10 par

**Address**—La Crosse, Wisconsin

**Business**—Telephone service to La Crosse, Wis.

**Underwriter**—Alex. Brown & Sons

**Offering**—All stock registered will be publicly offered at price to be filed by amendment, except that 2,406 shares will be sold to Central Electric & Telephone Co.

**Proceeds**—Stock registered is owned by parent company, Middle Western Telephone Co., which will donate a portion to La Crosse Telephone Corp. and latter will use proceeds to retire outstanding preferred stock

**Registration Statement** No. 2-4717. Form A-2. (3-29-41)

**McDONNELL AIRCRAFT CORP.**

McDonnell Aircraft Corp. registered with SEC 6,453⅙ shares 6% Non-Cumulative Convertible Preferred Stock, $100 par, and 129,063⅓ shares common stock, $1 par

**Address** — Lambert-St. Louis Municipal Airport, Robertson, Mo.

**Business**—Engaged in designing and developing aircraft and of manufacturing and selling parts for aircraft; expects presently to engage in business of manufacturing, testing and selling aircraft

**Underwriting**—None. Securities to be offered by company

**Offering**—Of the shares registered, the 6,453⅙ shares of preferred and 64,531⅔ shares of common, will be offered to public in units each unit consisting of one share of preferred and 10 shares of common stock, at price of $140 per unit. Remaining 64,531⅔ shares common reserved for issuance on conversion of the preferred

**Proceeds** for working capital, purchase of tools, machinery and equipment.

**Registration Statement** No. 2-4844. Form A-1. (9-17-41)

**Effective**—4:45 P.M., E.S.T., on Oct. 8, 1941 as of 4:45 P.M., E.S.T., Oct 6, 1941.

**MUTUAL TELEPHONE CO.**

Mutual Telephone Co. registered with SEC 100,000 shares capital stock, $10 par.

**Address**—1128 Alakea St., Honolulu, Oahu, Territory of Hawaii.

**Business**—Company is an independent public utility furnishing telephone service on the Islands of Oahu, Hawaii, Maui, Kauai, and Malokai, Territory of Hawaii, adio telephone service between said Islands and certain ships at sea, and also wireless telegraph service between Oahu, Lanai, Hawaii, Maui and Malokai.

**Underwriters**—There is no underwriting in connection with this offering.

**Offering**—Company is offering the 100,000 shares for subscription at $10 per share to its stockholders of record Oct. 15, 1941, by offering one share for each 4 shares then held. Subscription offer expires Dec. 20, 1941. Full shares of such stock, representing fractional interests and also shares called for by warrant to be issued to stockholders, which are not exercised, will be sold at public auction in Honolulu to highest bidder therefor not later than Dec. 27, 1941, and proceeds from the auction sale in excess of $10 per share (after deduction expenses of auction) will be distributed pro rata to stockholders of record Oct. 15, 1941, whose fractional interests are disposed of and to holders of unexercised warrants.

**Proceeds** to prepay outstanding short term bank loans, additions to plant and equipment, working capital.

**Registration Statement** No. 2-4855. Form A2. (10-6-41)

**Effective**—4:45 P.M., E.S.T., on Oct. 17, 1941.

**NORTHERN NATURAL GAS CO.**

Northern Natural Gas Co. registered 710,500 shares of common stock, $20 par

**Address** — Aquila Court Bldg., Omaha, Nebraska

**Business**—Production and transmission of natural gas

**Underwriter**—Blyth & Co., and others to be named by amendment

**Offering**—Stock will be publicly offered at price to be filed by amendment

**Proceeds**—All proceeds will be received by selling stockholders, United Light & Railways Co., and North American Light and Power Co.

**Registration Statement** No. 2-4741. Form A-2. (4-21-41)

Northern Natural Gas Co. filed an amendment to its registration statement of shares of its $20 par value common stock proposed to be offered to the public has been reduced from 710,500 shares to 355,250 shares. According to the amendment, such 355,250 shares are those that are presently owned, and outstanding, by North American Light & Power Co., and are to be offered to public for the account of American Light & Power Co.

The 355,250 additional shares orginally registered with the SEC on April 21, 1941, for public offering, and withdrawn from registration were subsequently registered and became effective. These shares constituted the stock outstanding and owned by United Light & Railways Co., a subsidiary of United Light & Power Co.

**PANAMA COCA-COLA BOTTLING CO.**

Panama Coca-Cola Bottling Co. registered with the SEC 33,750 shares common stock $1 par

**Address**—19-A Avenue Jose Francisco de la Ossa, Panama, R. de P.

**Business**—Engaged in business of bottling Coca-Cola and other carbonated beverages and in manufacture of ice-cream and ice, all of which are sold wholesale in the Republic of Panama and in the Canal Zone

**Underwriters**—Elder & Co., New York, is the sole underwriter

**Offering**—The shares will be offered to the public at $12.50 per share; underwriting commission is $2.50 per share

**Proceeds**—Will be used to increase the company's working capital

**Registration Statement** No. 2-4870. Form S-2 (New Form) (10-29-41)

**PHILADELPHIA ELECTRIC CO.**

Philadelphia Electric Co. registered with SEC $20,000,000 of First and Refunding Mortgage 2¾% bonds, due Dec. 1, 1971

**Address**—1000 Chestnut St., Philadelphia, Pa.

**Business**—This subsidiary in the United Gas Improvement Co. holding company system, is engaged primarily in production, purchase, transmission, distribution and sale of electricity and gas in southeastern Pennsylvania, including Philadelphia and vicinity

**Underwriting and Offering**—The bonds will be sold under the competitive bidding rule U-50 of the SEC's Public Utility Holding Company Act of 1935. Names of underwriters, and price to public, will be supplied by later amendment

**Proceeds**—$20,000,000 of the net proceeds from sale of the bonds will be applied to pay company's presently outstanding $20,000,000 of 1½% promissory notes payable to banks. Remainder of net proceeds will be used to reimburse, in part, company's treasury for additions, extensions, batterments and improvements to its plants and property

**Registration Statement** No. 2-4863. Form A2. (10-17-41)

**Effective**—4.45 p. m., E.S.T., on Nov. 7, 1941

**Bids** will be received by the company at Edison Bldg., 900 Sansom St., Philadelphia, up to 1 p. m., E.S.T., on Nov. 24, 1941

**PIERCE BUTLER RADIATOR CORP.**

Pierce Butler Radiator Corp. has registered with SEC 120,000 shares 5% cumulative convertible preferred stock, $2.50 par value; and 120,000 shares of $1 par common stock, latter reserved for conversion upon issuance of the preferred

**Address**—701 Nichols Ave., Syracuse, N. Y.

**Business**—Engaged in manufacture and sale of heating boilers and radiators, steam heating and high pressure boilers, Unaflow engines, radiator valves, boiler gauges and thermometers

**Underwriters**—None

**Offering**—The preferred stock will be offered for subscription to stockholders, at par. Unsubscribed portion will be purchased by Max Kalter, director of company, on behalf of a syndicate which he represents. Subscription price is $2.50 per share

**Proceeds** will be used for payment of certain outstanding bank loans and notes

**Registration Statement** No. 2-4865. Form A1. (10-23-41)

**PUEBLO MINING COMPANY**

Pueblo Mining Co. registered with SEC 1,500,000 shares 1 Cent Par Value Assessable Common Stock

**Address**—Spokane, Wash.

**Business**—Mining

**Underwriter**—No underwriter named.

**Offering**—To be offered to public at 2 cents per share

**Proceeds**—Will be used for development, purchase of equipment, building, and working capital

**Registration Statement** No. 2-4829. Form AO-1. (9-3-41) (San Francisco)

**Effective**—4.45 p. m., E.S.T., on Nov. 6, 1941

**ROHR AIRCRAFT CORP.**

Rohr Aircraft Corp. registered with the SEC 200,000 shares of capital stock, $1 par value

**Address**—Chula Vista, Cal.

**Business**—Manufacture and sale of parts for aircraft pursuant to subcontracts with and purchase orders from Consolidated Aircraft Corp. and Lockheed Aircraft Corp.; parts manufactured are in following categories: cowling, power plant assemblies, boom doors and bomb rack adapters

**Underwriting**—Lester & Co., Los Angeles, Cal., is the sole underwriter

**Offering**—Of the 200,000 shares registered, 135,000 will be offered for the account of the company and the remaining 65,000 shares (already issued and outstanding) will be offered for the account of the owner thereof, Consolidated Aircraft Corp. Such 200,000 shares will be offered to the public at $4.40 per share; underwriting commission is 88 cents per share

**Proceeds** to company from sale of the 135,000 shares will be used as follows: $125,000 for contemplated advance payments to sub-contractors; $262,500 to discharge the unpaid portion of Federal income and excess profits taxes for fiscal year ended July 31, 1941; and $73,700 for increase of inventories

**Registration Statement** No. 2-4871. Form A1 (10-29-41—San Francisco)

**SEVENTY-NINTH AND RACINE BUILDING CORP.**

Lucius Teter, et al, voting trustees of Seventy-Ninth and Racine Building Corp.; registered with SEC voting trust certificates for 2,961 shares of common stock, no par

**Address**—Trustees: 135 S. LaSalle St., Chicago

**Business**—The corporation owns and operates a commercial building consisting of stores, offices, and apartments, located at the southeast corner of 79th st. and Racine Ave., Chicago, Ill.

**Offering**—The voting trust certificates are to be issued to holders of corporation's common stock, under a proposal to extend the existing voting trust agreement, which terminates Nov. 23, 1941, to Nov. 23, 1951.

**Registration Statement** No. 2-4868. Form F1 (10-27-41)

**SOUTHEASTERN INDIANA POWER CO**

Southeastern Indiana Power Co. registered with SEC 2,000 shares 6% cumulative preferred stock, $100 par

**Address**—Rushville, Ind.

**Business**—A public utility company engaged in transmitting, distributing and selling electricity in southeastern Indiana

**Offering** — The preferred stock will be offered to public at a price to be supplied by amendment

**Underwriter**—Central Republic Co., Inc. Chicago, is sole underwriter

**Proceeds**—From sale of the 2,000 shares preferred stock, together with aggregate of $1,152,280 to be received by company from sale of other securities ($650,000 4% first mortgage bonds to an insurance company, $350,000 Serial Guaranteed Debentures to a bank and an insurance company, and 12,500 shares $10 par common stock) are to be applied by company to acquire all the outstanding capital stock and funded indebtedness of Hoosier Public Utility Co. and for other corporate purposes

**Registration Statement** No. 2-4830. Form A-2 (9-6-41)

**SOUTHERN ACCEPTANCES, INC.**

Southern Acceptances, Inc. registered 150 shares $50 dividend Preferred stock no par, 20 shares Class A $60 dividend common stock, no par; and 30 shares Class B common stock, no par

**Address**—26 Wall St., Orlando, Fla.

**Business**—Discounting installment note and making small loans

**Underwriter**—Leedy, Wheeler & Co., Orlando, Fla.

**Offering**—Preferred and Class A will be publicly offered at $1,000 per share Class B common at $1,100 per share Underwriting commission $50 on preferred and Class A, and $55 on Class B

**Proceeds**—To repay bank loans, and for working capital

**Registration Statement** No. 2-4570. Form A-2. (11-12-40)

**Effective**—Dec. 4, 1940

**TEXAMERICA OIL CORP.**

Texamerica Oil Corp. registered with SEC 119,891 shares common stock, $2 par.

**Address** — Milam Bldg., San Antonio Tex.

**Business**—Engaged in production and marketing of crude oil, acquire mineral leasehold interests in producing or proven oil properties in Texas, drilling of oil wells thereon, acquire royalty interests in proven and developed oil properties.

**Underwriter**—Willard York Co., San Antonio, Tex., has agreed to purchase 44,750 shares at $1.75 per share and 74,157 shares at $2, from company.

**Offering**—118,907 shares to be offered to public at $2.375 per share; remaining 984 shares registered constitute shares issued July 1, 1941, by company, as dividends.

**Proceeds**—Will be used to pay outstanding mortgage indebtedness ($200,000), and remaining $26,626 will be added to working capital

**Registration Statement** No. 2-4824 Form A-1. (8-27-41)

**TRAILER COMPANY OF AMERICA**

Trailer Co. of America registered with SEC 4,547 shares 7% cumulative preferred stock, $100 par, and 81,095 shares common stock, no par

**Address**—31st & Robertson Aves., Cincinnati, O.

**Business**—Manufacture, assembly, dis- with the SEC, disclosing that the number tribution and sale of commercial trailers and semi-trailers, trailer bodies, parts and equipment, truck bodies and cabs for tractors and trucks

**Underwriters**—None

**Offering**—The above shares to be offered by company to all its stockholders at price of $100 per share of 7% preferred and $8 per share for common, through rights, at rate of 2½% shares of 7% preferred and 5 shares of common stock for each share of 7% preferred stock held, and at rate of one share of common stock for each share of common stock held. Subscription rights evidenced by Warrants will expire on the thirtieth day after date of issue. Unsubscribed portion of the shares will be offered for sale, at same prices, to all stockholders. Any unsold shares then may be sold at same prices to general public

**Proceeds**—For plant extension, retirement certain bank loans, and for working capital

**Registration Statement** No. 2-4803. Form A-2. (7-29-41) (Cleveland)

**Effective**—Sept. 13 at 1:15 P.M., E.S.T as of 4.45 p.m. E.S.T. Sept. 17, 1941

**UNION LIGHT, HEAT AND POWER COMPANY**

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

**Address**—4th & Main St., Cincinnati, Ohio

**Business** — Operating electric utility company

**Underwriter** — Columbia Gas & Electric Corp.

**Offering**—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.32 for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

**Proceeds**—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

**Registration Statement** No. 2-4379. Form A-2. (3-30-40)

**UNITED WHOLESALE DRUGGISTS OF PITTSBURGH, INC.**

United Wholesale Druggists of Pittsburgh, Inc., registered with the SEC 4,000 shares no par common stock

**Address**—6543 Penn Ave., Pittsburgh, Pa.

**Business**—Incorporated in Delaware on April 28, 1941, to engage in business of selling drug store merchandise

**Underwriting**—None

**Offering**—The 4,000 shares of common stock will be sold by the company direct to (exclusively) retail druggists, at $50 per share

**Proceeds**—Will be used for purchase of equipment, and for working capital

**Registration Statement** No. 2-4818 Form A-2. (8-22-41)

**Effective**—Oct 7, 1941 at 11 A. M., E.S.T.

**VIRGINIA LAND CO.**

Virginia Land Co. registered warranty deeds representing interests in oil and gas lands in the Everglades, Florida, about 50 miles west of Miami

**Address**—Theatre Building, Coral Gables, Dade County, Florida

**Underwriters**—None

**Offering**—Interests will be sold to the public at prices from $20 per acre up to $150 per acre

**Proceeds** — For development of lands, purchase of equipment, and working capital

**Registration Statement** No. 2-4767. Form S-10 (5-23-41)

**Effective**—Under notice of deficiency 4:45 P.M., E.S.T., Sept. 21, 1941.

**WHITWORTH APARTMENT, INC.**

Whitworth Apartment, Inc., registered with SEC 5,950 shares common stock, 25 cents par $74,375 First Mortgage 5% bonds, due Sept. 1, 1951; and $74,375 Second Mortgage Income Bonds, 6% Non-Cumulative Interest, due Sept. 1, 1961

**Address**—311 Securities Bldg., Seattle, Wash.

**Business**—Incorporated on July 3, 1941 to acquire title to Whitworth Apartment, Seattle, Wash., and to own and operate said apartment

**Underwriters**—None

**Offering**—All of the securities registered will be offered under a Plan of Reorganization, to holders of 148,750 undivided fractional shares, latter represented by Certificates of Interest. Latter may be surrendered under the plan through Seattle-First National Bank, Seattle, Wash. Owner of each 25/148,750 fractional share will receive: (a) $12.50 par value of first mortgage bonds, $12.50 par value of second mortgage income bonds, and one share of capital stock of the new company

**Registration Statement** No. 2-4811. Form E-1. (8-8-41) (San Francisco, Cal.)

**WILLIAMS HYDRAULICS, INC.**

Williams Hydraulics, Inc. registered 1,000,000 shares $5 par Class A common stock

**Address**—Alameda, Cal.

**Business**—Deep-sea dredging and manufacture of equipment therefor

**Underwriters** — Brown Hartwell Company

**Offering**—Public offering price, $5 per share, underwriting commission, $1 per share

**Proceeds**—Purchase of plant and equipment; purchase of seagoing vessel; equipment, and working capital

**Registration Statement** No. 2-4133. Form A-1. (7-19-39)

**Effective**—May 29 as of April 18, 1940

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## Farmers Put Aside Cash For Mortgage Payments

An increasing number of farmers are making provision for their future security by depositing, with the Federal Land Banks, funds to meet future installments on their farm mortgage loans, the United States Department of Agriculture said on Nov. 14. "Farmer-borrowers have paid into the 12 Federal Land Banks nearly $1,000,000 which the banks are holding for them to be applied on their loans should the 'going get tough' or the borrowers wish to pay their loans in full," said A. G. Black, Governor of the Farm Credit Administration. "This fund is growing rapidly, having increased nearly $500,000 in the last month."

The increase, says the Department, was attributed by Governor Black to greatly improved agricultural conditions, larger incomes of many farmers and ranchers, and an effort by the Federal land banks to acquaint borrowers with the fact that they would accept future payments and pay on them the same rate of interest which the borrowers pay the banks on their loans. "There is a noticeable trend among farmers to reduce their mortgage indebtedness and to provide more security for their future," said Governor Black. "Eighty-two farmers out of every hundred borrowers are now current on their land bank loans. This is five more than a year ago."

## Asks Reduced Limits On Daily Price Fluctuations

As a protective measure against price disturbances from war-time developments, Secretary of Agriculture Claure R. Wickard on Nov. 7 asked supervised commodity exchanges to cut their daily price fluctuation limits on futures transactions in grain and cotton to about half their present levels. J. M. Mehl, Chief of the Commodity Exchange Administration, wired the grain futures markets requesting immediate reduction of their daily fluctuation limits to five cents per bushel for all grains except soybeans and flaxseed, the requested limit of which is six cents. The existing daily fluctuation limit is 10 cents per bushel for wheat, rye, barley, and flaxseed, eight cents for corn and soybeans, and six cents for oats.

The cotton futures markets, said the announcement, were asked to reduce the maximum permissible daily price fluctuation from two cents to one cent per pound. The markets affected by the Secretary's request are:

Chicago Board of Trade
Chicago Open Board of Trade
Dulutn Board of Trade
Kansas City Board of Trade
Los Angeles Grain Exchange
Milwaukee Grain and Stock Exchange
Minneapolis Chamber of Commerce
New Orleans Cotton Exchange
New York Cotton Exchange
Portland Grain Exchange
St. Louis Merchants Exchange
San Francisco Grain Exchange
Seattle Grain Exchange

Prompt agreement with the Secretary's request was voted by the Directors of the New York Cotton Exchange and the Chicago Board of Trade at meetings on Nov. 8. The New York market's action with respect to cotton futures trading became effective on Nov. 10 while the Chicago reduction of daily trading limits on grains and soybeans went into effect Nov. 8.

## Argentine Wool Surplus

Because of a smaller carryover, and an estimated increase in domestic consumption, the 1941-42 Argentine wool export surplus is expected to amount to no more than 478,000,000 pounds, a reduction of about 10% compared with 1940-41, the Department of Agriculture said on Nov. 12. In its further advices on that date the Department said:

> Argentina has always been an important source of United States coarse wool imports and the war has greatly increased U. S. dependence on Argentina also for increased quality of the finer types usually imported mainly from Australia and the Union of South Africa. The blockade of Continental Europe destroyed a market for approximately 45% of Argentine wool, but the greatly increased consumption of wool in the United States for National Defense purposes makes this country more dependent on Argentina than formerly.
>
> During the year ending Sept. 30, 1941, 83% of Argentina's wool exports were to the United States compared with 49% in 1939-40 and only 21% in 1938-39. Imports of Argentine fine wool in the first half of 1941 amounted to 104,000,000 pounds and were slightly larger than imports of the coarser types. Fine wool imports of 40's and over from Argentina were over four times as large as in the first half of 1940 and coarse wool imports were a little over twice as large.
>
> The Oct. 1, 1941, carryover in Argentina amounted to only 81,000,000 pounds compared with 121,000,000 pounds on Oct. 1, 1940. In addition, domestic consumption during the 1941-42 season (October-September) is expected to show an increase of about 10,000,000 pounds over the 66,000,000 millions pounds consumed in Argentina in 1940-41.
>
> The 1941-42 Argentina wool clip is now estimated at approximately 474,000,000 pounds, or about the same as that of the preceding season. The average clip for the five-year period ending with 1939-40 was 389,000,000 pounds annually.
>
> Actual exports during the 1940-41 season amounted to 448,000,000 pounds, grease equivalent, compared with 308,000,000 pounds in 1939-40. Exports during the five years ending with 1938-39 averaged 323,000,000 pounds annually.

## Canadian Index Up

A. E. Arscott, General Manager of The Canadian Bank of Commerce, Toronto, in his current monthly report, states that the bank's Canadian index of industrial activity records a recovery in manufacturing output to the level of August last. The mid-October figure of 162 (1937 equals 100) compares with 160 in September and 162 in August, while the percentage of capacity utilized was 114 as compared with 113 in September and 114 in August. In commenting on price and wage control action, Mr. Arscott says:

> As was foreseen for some time, price control and wage regulations are to become integral parts of Canadian economy. The relative official measures are complementary to those announced a month or so ago, giving authority to the wartime prices and trade board to fix prices of all commodities and to the War Industries Control Board to allot supplies of materials to civilian manufacturers and dealers. In fact, the pressing need for materials with which fully to implement the national war program underlies the price and wage control plans. The necessity for meeting this need by diverting materials from civilian to armament purposes seems to have left no alternative to price and wage fixing if the highly inflationary influence of a public scramble for a smaller supply of civilian goods was to be avoided.
>
> The price control regulations follow closely those dictated by experience with such measures, but the extension of the cost-of-living bonus plan to all employees comprising the largest working forces is an innovation and one, it must be admitted, which will complicate the problems of readjustment that business faces in operating under fixed prices and without the opportunity of recovering higher costs, except possibly by new labor saving devices, which are most difficult to introduce under present conditions. It is fortunate therefore that provision has been made for employers whose operations may be rendered unprofitable, even impossible, by payment of the whole of the statutory cost-of-living bonus to appeal to the authorities for easement or suspension of these wage regulations and that initial payment of the bonus may be deferred until Feb. 15.
>
> While recognizing the necessity for price control if the national war program is to be consummated successfully, and while urging the fullest support for this plan, we cannot ignore the fact that Canadian economy is now to undergo a sweeping transformation for at least the duration of the war. The basis of normal business—freedom of markets, competition and prices—will be replaced by a new foundation in which price will not be an important element.

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## H. Hentz & Co., NYC, Celebrates 85th Year

One of the oldest brokerage firms in the New York financial district to retain its original name, H. Hentz & Co., 60 Beaver Street, New York City, is celebrating the 85th anniversary of its founding by the late Henry Hentz. A member of the New York Stock Exchange and the New York Cotton Exchange, the firm holds memberships in nearly a score of other exchanges both in this country and abroad.

Henry Hentz founded the present company on Nov. 15, 1856, with a total capital of approximately $700. The first office, on the third floor of 5 Hanover Street, was lighted by kerosene lamp. A single clerk made up the entire office force.

The firm soon rose to a leading position in the cotton market, later being active in promoting organized futures trading in other commodities, and in the securities business. Its securities business was given special impetus in 1918 when the New York Stock Exchange firm of Baruch Brothers was merged with it.

Although its earlier growth was closely identified with the buying and exporting of cotton and other commodities, the firm is now an important Stock Exchange house, with a large domestic and foreign business.

Partners of the firm are: Herman B. Baruch, Jerome Lewine, Robert Parkes Baruch, A. Pam Blumenthal, Edmund W. Fitzgerald, Sherman M. Bijur, Arthur J. Neumark, Lewis R. Raabin, E. Milo Greene, Wilbur H. Clayton, Hartwig N. Baruch (special) and Rudolph Zenker (special).

Branches of the firm are located in Boston, Chicago, Detroit, Pittsburgh, and Geneva, Switzerland.

## Mericka Co. Members Of Cleveland Exchange

CLEVELAND, OHIO—Wm. J. Mericka & Co., Inc., Union Commerce Building, announce that they have been admitted to membership in the Cleveland Stock Exchange. Officers of the firm are William J. Mericka, T. G. Horsfield, Carl H. Doerge and E. E. Parsons, Jr.; Mr. Parsons holds the Exchange membership.

The firm also maintains an office in New York City at 1 Wall Street.

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BOSTON TELEPHONE ENTERPRISE 1250

# THE BOND SELECTOR

## BALDWIN LOCOMOTIVE BONDS

### Interesting for Income and Appreciation

The Baldwin Locomotive convertible 6s, 1950, currently selling at 112, have been as high as 127½ and as low as 109⅛ this year. Convertible into 65 shares of Baldwin common up to Sept. 1, 1945, and into 55 shares thereafter until maturity, the bonds are considered attractive both for income and the possibilities of substantial price appreciation. At 112, the bonds yield 4.28% to maturity.

Baldwin Locomotive Works has long been one of the two leading builders of steam locomotives. In recent years it has entered the electric and Diesel-powered locomotive fields, and by the acquisition of other companies has become an important factor in heavy industrial machinery and fabricated metal products. Its most important subsidiary is The Midvale Company, 61% owned, a large manufacturer of heavy steel castings and forgings, ordnance and heavy armor plate. Midvale is one of the country's leading manufacturers of armor plate and has received large Government orders under the defense program.

Outstanding in the amount of $6,467,900 at the end of 1940, these refunding mortgage convertible 6s, 1950, were issued in 1935 under terms of the reorganization effected that year. At the present time, these bonds represent the sole funded debt in the hands of the public, but actually are junior to $6,000,000 of first mortgage 4s, 1947, which are held by the company and pledged as collateral for $2,600,000 of bank loans. In effect, the 6s, 1950, are a lien on all property of the company subject to the prior lien of the first 4s, 1947.

**The conversion feature of the convertible 6s, 1950, is particularly interesting at the present time due to the fact that consolidated earnings for 1941 will be the best in a decade. As stated above, the bonds are convertible into 65 shares of common stock for each $1,000 principal amount of bonds. This privilege extends through Sept. 1, 1945, and from then on to maturity the rate drops to 55 shares. During 1941, the stock has sold as high as 19 and the bonds 127½. To warrant the present price of the bonds on a straight conversion basis, the stock would have to sell at a little better then 17 compared with its present price of 14. After the stock reached 17, however, each one point advance in price is equivalent to an additional 6½ points in the market price of the bonds. In other words, with the stock at 20, the bonds are worth 130; at 25 for the stock, the bonds are worth 162½, etc.**

In 1940, Baldwin earned $1.75 per share. For the 12 months ended Sept. 30, 1941, the company earned $3.64 per share after providing for substantially higher income taxes. Indications are that full 1941 earnings will be in the neighborhood of $4.50 per share. Coverage of fixed charges is wide, amounting to 24.46 times for the 12 months ended Sept. 30, 1941. Fixed charges have been covered in each year since the reorganization except in 1938, when they were earned only to the extent of 80%. Midvale has been the important contributor to earnings, even in 1940, accounting for the major portion of net income. In 1941, however Baldwin's own earnings should be an important item in the overall picture.

Working capital has shown a steady increase over the past ten years, and at the end of 1940 stood at $17,125,000. Total current assets of $36,814,000 included $12,794,000 of cash (including $5,685,000 advanced against sales), $6,308,000 of receivables and $17,497,000 of inventories. Current liabilities of $19,689,000 consisted principally of $2,600,000 of bank loans; $3,460,000 of payables, $7,909,000 advances on sales and $4,327,000 tax reserves. Net current assets per $1,000 of funded debt were equivalent to $1,370; however, the high proportion of inventories should be noted. Current ratio was about 1.8 to 1.

There appears to be no question regarding Baldwin's ability to show substantial earnings during any extended period of heavy industrial activity. Conversely, even after allowing for the substantial reduction in interest requirements effectuated by the 1935 reorganization, there is little reason to assume that the company will be able to show earnings under any but the most auspicious conditions. These auspicious conditions are here. Consequently, investment in these convertible bonds will be recommended with the distinct stipulation that the step is a speculative one, but that it should prove a profitable undertaking so long as our defense program continues.

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Eastern Sugar Pfd.
Punta Alegre Sugar
Vertientes Camaguey Sugar
West Indies Sugar
Aetna Standard
**J. F. Reilly & Co.**
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*HAnover 2-4660*
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## Dan McKellar Joins M. H. Lewis Staff

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Dan H. McKellar has become associated with M. H. Lewis & Co., 453 South Spring Street. Mr. McKellar was previously with the Pacific Company of California and prior thereto was manager of the stock department of Barnes, Lester & Co. and manager of the trading department of the local office of Blyth & Co. In the past he was an officer of Associated American Distributors, Inc.

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## NYSE Changes Int. Rate Rules on Govt. Bonds

The Board of Governors of the New York Stock Exchange, at a meeting held on Nov. 13, amended Rule 307 by changing the method of calculating interest on bonds issued or guaranteed by the United States Government. The purpose of the amendment, to become effective Dec. 15, is to provide a uniform method of calculating interest on United States Government notes and bonds and to be consistent with the method employed by the Federal Treasury. The amended rule reads as follows:

> Rule 307. The amount of interest deemed to have accrued on contracts in accordance with Rule 306 shall be:
>
> (a) On bonds (except bonds issued or guaranteed by the United States Government), that portion of the interest on the bonds for a full year, computed for the number of days elapsed since the previous interest date on the basis of a 360-day-year. Each calendar month shall be considered to be 1/12 of 360 days, or 30 days, and each period from a date in one month to the same date in the following month shall be considered to be 30 days.
>
> (b) On bonds issued or guaranteed by the United States Government, that portion of the interest on the bonds for the current full interest period, computed for the actual number of days elapsed since the previous interest date on the basis of actual number of calendar days in the current full interest period. The actual elapsed days in each calendar month shall be used in determining the number of days in a period.

The Stock Exchange's announcement also said:

> Pursuant to the amended Rule, interest on United States Government bonds and on bonds guaranteed by the Government (such as Federal Farm Mortgage Corporation and Home Owners' Loan Corporation) will be computed on the actual elapsed days based on the current full interest period rather than on the 360-day basis, i. e., the amount of interest on contracts will be ascertained by dividing the actual number of days in the current full interest period into the amount of interest for one full interest period, and multiplying this amount by the actual number of days elapsed since the preceding interest date.

## Wertheim Honored

Maurice Wertheim, senior partner of Wertheim & Co., 120 Broadway, New York City, members of the New York Stock Exchange, has been elected Fifth President of the American Jewish Committee.

## Rickson With Brailsford

(Special to The Financial Chronicle)

CHICAGO, ILL.—Robert E. Ricksen, formerly an officer of F. A. Brewer & Co., has become associated with Brailsford, Rodger & Co., 208 South La Salle Street.

THURSDAY

In 2 Sections – Section 2

# The COMMERCIAL & FINANCIAL CHRONICLE

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# On The Foreign Front

## European Stock Markets

Generally firm conditions continued to prevail on leading European stock markets, during sessions of recent days. A little uncertainty appeared at times on the London Stock Exchange, owing to strike developments in the United States and fears of Japanese involvement in the spreading European war. Other European markets also were irregular on occasion, but the undertone was firm.

**The sharp contrast between the London and New York markets gains additional emphasis, with each day of advancing levels in Great Britain and declining prices in the United States. Only government policy can account for that difference, which deserves the most studious consideration.**

Some good gains were recorded toward the end of last week, on the London Stock Exchange, owing to the changes effected in the American neutrality legislation. As business was resumed, this week, gilt-edged and industrial issues alike reflected modest inquiry. The market became more spotty in mid-week periods, but strong spots still were in evidence.

Some of the Continental markets reflected the difficulties and dangers of the war situation, but any recessions were in local bonds and stocks. Amsterdam reports suggest continued good inquiry for securities of companies domiciled externally. Inflation fears are reported occasioning demand for many equities on various European markets.

### Washington and Tokio

Every diplomatic and military development bearing upon the Far East continued to reflect, in the last few days, the gathering tension between Washington and Tokio, where decisions now are being made which spell the difference between war and peace in the Pacific. That the Japanese are prepared at any cost to continue their policy of aggression in Eastern Asia is now inescapably clear. The Administration in Washington, it is equally plain, intends to counter any fresh Japanese military move.

**Officials on both sides are fully aware of the dreadful implications of the situation and are marching on with open eyes. In this circumstance rests the best chance for avoidance of Japanese-American warfare. Matters are far beyond the point, however, where bluffing can be of any avail, and various recent measures can only be regarded as preparation for a clash.**

President Roosevelt last Friday announced that all United States marines are being withdrawn from China. This, of course, might be interpreted as the beginning of the end of extraterritoriality in China, but other circumstances plainly would be more suitable for such a move. That the question of war or peace was in the President's mind was generally conceded in Washington, where it was pointed out that the 970 marines might be seized as hostages in the event of hostilities. But the Yangtze gunboat patrol will continue, and the State Department confirmed that all diplomatic and consular agents will remain in China, for the time being.

This sign of increasing tension was matched in the Far East, in various spheres. The Japanese Diet heard declarations of Japanese policy which are uncompromising, and voted immense sums to the military forces. Preparations were rushed in Thailand and Burma for resisting

*(Continued on page 1134)*

**Binders For The Convenience Of Our Subscribers**

**Arrangements have been made with the "Expandit" Binder to supply temporary binders in which to file current issues of the Financial Chronicle in its new form. These will facilitate the use of the Chronicle and will protect copies against mutilation and loss. The cost is $2.50 plus postage for each of these binders which have been designed to hold one month's issues of the Financial Chronicle. Orders for binders should be sent to "Expandit" Binder, 25 Spruce Street, New York City.**

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# FROM WASHINGTON
## AHEAD OF THE NEWS

In the pageantry of Washington, the indications are that there will be less emphasis on Administration "war moves" the next few weeks and more on the United States "assuming the world leadership" after the war is over. It is essential in keeping up with Washington that one should always separate the pageantry from actuality. Amazing phenomena come up. For example, one day the chant is that we are going "all out," and the announcement gets startling headlines in the newspapers and the beaurocrats spread out over the country fan-like to make speeches, in most instances for a fee, that the country must go "all out" and their auditors go home and repeat that the thing the country needs is to go "all out," when not one person who has uttered the phrase knows anything about what is meant. Donald Nelson's conception of going "all out" is to spend three and a half billion dollars a month. That would certainly constitute going "all out" for something, probably national suicide.

Then, it will be decreed that the "country must suffer" and out will go the speakers telling their audiences that the "country must suffer." This is really one of the most interesting studies of the Brain Trusters that can be made. Apparently the psychiatrists or psychologists in their midst have concluded that the way to turn the thinking molecules of the mass mind away from the sufferings of some 10 years, is to insist that we must suffer some more. Surely, there has been plenty of suffering in this country since the great collapse of 1929. The records are that suicides have greatly increased. The New Dealers, being the tremendous students that they are, presumably think that the world exists only in the state of mind. Nothing is actual; it is only what one thinks in his mind. Therefore, to those millions who were unemployed; those employers who got high blood pressure trying to figure out how to meet payrolls; those millions of the middle class who got squeezed in the class war between the so-called "lower one-third" and the upper stratum—the thing to do is to tell them that they must suffer so they will forget that suffering is what they have been doing for a decade.

It is in connection with the pageantry of Washington that the fight for the virtual repeal of the Neutrality Act was made. The situation is not to be in the slightest degree different from what it

*(Continued on page 1125)*

# THE FINANCIAL SITUATION

For a long while past, indeed ever since they were first established in Washington, the New Deal in general and the President in particular have, as regards labor relations, been sowing the wind, and both, the President in particular, are now faced by the task of controlling or taming, if not reaping, the whirlwind. At bottom the situation is not really greatly different from literally dozens of other conflicts which have quite unnecessarily raised their ugly heads during recent months, but the current stoppage strikes rather more directly at a vital spot in our defense effort than many of the others, and meanwhile large sections of the public have become sick unto death with the endless eruptions of labor unions and with the nature of most of the conflicts. Congress, apparently, is particularly disgusted with the wincing and relenting and refraining of the Administration whenever it must deal with its rebellious devotees in the ranks of organized labor, and in this it without question reflects what it hears from "back home." It has become difficult, it may be becoming rapidly impossible, for the President to obtain what he wants from Capitol Hill unless and until he deals more effectively with the current labor problem, at least as far as it has a direct bearing upon the armament program. The President and John L. Lewis, as is well-known, have long been at sword's points, a fact which, no matter what may be said by officialdom, disposes the President to take up the cudgels against labor leadership more willingly in this case than in some of the others which have preceded it.

So it comes about that the President has in public utterance at least taken a stronger stand than upon similar occasions in the past, and has, it would appear, although by no means certainly, reversed, or partially reversed, the position of the Administration concerning the question of the so-called closed shop. And so it is likewise that we hear more and more about plans for drastic legislative curbs upon the unions. There are apparently many observers, among them no small number who must be set

*(Continued on page 1124)*

## "Words Like Weeds . . ."

***I tell you frankly that the Government of the United States will not order, nor will Congress pass legislation ordering, a so-called closed shop.***

***It is true that by agreement between employers and employees in many plants of various industries the closed shop is now in operation. This is a result of the legal collective bargaining, and not of Government compulsion on employers or employees. It is also true that 95% or more of the employees in these particular mines belong to the United Mine Workers Union.***

***The Government will never compel this 5% to join the union by a Government decree. That would be too much like the Hitler methods toward labor.*—The President to the captive coal mine conferees.**

**A former British Poet Laureate once said that "words like weeds half reveal and half conceal the truth within."**

**The President has always been a consummate artist in making words perform this doubtful purpose.**

**His art is well exemplified in parts of his statement to the captive mine conferees.**

**Neither the Government nor Congress will "order" a closed shop. He will never oblige by "Government decree" a small minority of miners to join the union.**

**At the same time he still seems to approve the same result when it comes without "government order" or "government decree."**

**His wits seem to wander a little, or his memory fails him, however, when he says that closed shops now existing have come through "legal collective bargaining," and not through "government compulsion on employers or employees."**

**It seems to us quite clear that, if we forget technicalities and confine ourselves to the substance of the facts, there has been a great deal of "government compulsion" on both employers and individual employees which has inevitably led and is inevitably leading to the closed shop in American industry.**

**The difference between "orders" and "decrees" and this type of compulsion is not quite that between twiddle-dee and twiddle-dum, but it is not very great.**

## Lumber Movement Week Ended Nov. 8, 1941

Lumber production during the week ended Nov. 8, 1941, was 5% less than the previous week; shipments were 17% less; new business 13% less, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 5% below production; new orders 12% below production. Compared with the corresponding week of 1940 production was 11% greater, shipments 10% less, and new business 9% less. The industry stood at 126% of the average of production in the corresponding week of 1935-39 and 133% of average 1935-39 shipments in the same week.

### Year-to-date Comparisons

Reported production for the 45 weeks of 1941 to date was 12% above corresponding weeks of 1940; shipments were 12% above the shipments, and new orders 8% above the orders of the 1940 period. For the 45 weeks of 1941 to date, new business was 4% above production, and shipments were 5% above production.

### Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 32% on Nov. 8, 1941, compared with 32% a year ago. Unfilled orders were 11% less than a year ago; gross stocks were 11% less.

### Softwoods and Hardwoods

Record for the current week ended Nov. 8, 1941, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

Softwoods and Hardwoods

| | 1941 Week | 1940 Week | 1941 Previous Week (Rev.) |
|---|---|---|---|
| Mills | 448 | 448 | 469 |
| Production | 244,898 | 220,931 | 256,571 |
| Shipments | 231,781 | 258,709 | 280,761 |
| Orders | 215,059 | 236,215 | 245,858 |

| | Softwoods 1941 Week | | Hardwoods 1941 Week | |
|---|---|---|---|---|
| Mills | 369 | | 92 | |
| Production | 235,338 | 100% | 9,560 | 100% |
| Shipments | 220,745 | 94 | 11,036 | 115 |
| Orders | 203,416 | 86 | 11,643 | 122 |

## NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Nov. 17 a summary for the week ended Nov. 8, 1941, of complete figures showing the volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

| Week Ended Nov. 8, 1941— | Total for Week |
|---|---|
| Odd-lot Sales by Dealers: | |
| (Customers' Purchases) | |
| Number of orders | 14,423 |
| Number of shares | 381,968 |
| Dollar value | 14,301,104 |
| Odd-lot Purchases by Dealers— | |
| (Customers' Sales) | |
| Number of Orders: | |
| Customers short sales | 219 |
| Customers' other sales *a* | 16,180 |
| Customers' total sales | 16,399 |
| Number of Shares: | |
| Customers' short sales | 4,678 |
| Customers' other sales *a* | 414,982 |
| Customers' total sales | 419,660 |
| Dollar value | 12,234,432 |
| Round-lot Sales by Dealers— | |
| Number of Shares: | |
| Short sales | 430 |
| Other sales *b* | 132,790 |
| Total sales | 133,220 |
| Round-lot Purchases by Dealers— | |
| Number of shares | 93,320 |

*a* Sales marked "short exempt" are reported with "other sales". *b* Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Note—This report and preceding reports do not include transactions in stocks effected on a "when issued" basis.

*Editorial—*

## Russian Loan Terms

There are some exceedingly curious aspects of the lend-lease loan of $1,000,000,000 to the Russian Soviet Government, as announced through publication by the State Department on Nov. 6 of notes exchanged between President Roosevelt and Premier Stalin. This tremendous credit is to be immediately available to Russia for munitions purchases in the United States, and is to be repayable without interest, beginning five years after the end of the war and within a period of 10 years thereafter.

So simple in its outlines is this loan, and so neglectful of some of the most ordinary considerations of American interests, that the impression is left inescapably of hasty and poorly formulated action for propaganda and similar reasons. The commitment, nevertheless, is a definite one that the bloody Soviet dictator accepted with alacrity. It will require vast sacrifices on the part of the American people and taxpayers. And the amazing part of the transaction is that such sacrifices were visibly and obviously needless.

Whether the Russian dictator intends to repay this advance in the specified form of Russian raw materials during the post-war decade is one of the problems involved. Early last year President Roosevelt, along with all other Americans, was in the habit of excoriating the "absolute dictatorship" of Russia because of the lack of treaty observance in the ruthless attack on Poland and Finland, and the attempted absorption of Latavia, Estonia and Lithuania. Such countries all were included in the Russian ring of non-aggression treaty arrangements, and they are more bittterly aware than the rest of the world of the utter worthlessness of Stalin's promises and commitments.

Granting, for the sake of argument, all of the contentions advanced by the Roosevelt Administration with respect to aiding countries defending themselves against Nazi aggression, there remains a broad highway out of the credit dilemma, and avoidance of that highway is a sheer and willful neglect of American interests.

Russia happens to possess gold in amounts more than ample to meet even the vast requirements for munitions reflected by the $1,000,000,000 credit. In the initial United States Treasury advance of $10,000,000 to Russia, extended Aug. 15, the stipulation was for prompt payment in gold, and the indications are that Russia already has effected repayment. In the $100,000,000 credit promised to Russia in mid-September by the Defense Supplies Corp., the arrangement was for immediate provision of $50,000,000 and future repayment by Russia of metals and other materials. The tendency comes to its head in the $1,000,000,000 credit, with gold apparently forgotten.

In disregarding gold, the distinct disservice to American interests is evident, for this country possesses the bulk of world gold stocks and presumably is interested in retaining for that metal the importance it has for centuries held in trade and exchange. What Mr. Roosevelt arranged on a prodigious scale, after the Defense Supplies Corp. took a relatively modest initial step, was a pure barter arrangement. It is a barter arrangement of precisely the same sort against which the Administration has inveighed endlessly, when resorted to by countries stripped of their gold.

Use of barter on an immense basis, as between the two countries of Russia and the United States, is an immeasurably significant hit at gold. And it is hitting below the belt, for both countries have ample gold stocks. No indication was afforded in the note exchange of any basis for calculating the barter of American munitions for Russian materials. No mention whatever was made of gold.

The ships that are to carry to Russia the American war supplies promised are available to bring back Russian gold in immediate payment. The metal does not circulate in Russia, and no contention could be raised as to safeguarding the Russian currency system by the barter agreement. Indeed, it is well known that Russia accumulated its gold as a "war chest." The ordinary and American requirements of the situation plainly called for spot payment in gold for our supplies to Russia. If Russia preferred to make eventual repayment in kind, and Mr. Roosevelt thought it wise to agree, the Russian gold might at least be held in the United States in the meanwhile. Empty ships returning from Russian ports will make a mockery of contentions that transportation difficulties supervened.

That Russia possesses ample stocks of gold is well known to American mining experts and to the United States Bureau of Mines. Definite estimates are available of Russian gold production in the years from 1930 to 1936, inclusive, and in some instances the private figures coincide exactly with those of the Bureau of Mines, while in others the differences are inconsequential.

Such definite production figures are:

| | |
|---|---|
| 1930 | 1,443,664 oz. |
| 1931 | 1,700,960 oz. |
| 1932 | 1,878,101 oz. |
| 1933 | 2,492,240 oz. |
| 1934 | 3,684,519 oz. |
| 1935 | 4,996,207 oz. |
| 1936 | 6,308,115 oz. |

In addition, Russia is well understood to have produced approximately 5,500,000 ounces in each of the years 1937 and 1938, and at least 5,000,000 ounces in 1939. In the decade of the 1930's, in other words, Russian gold production totaled 38,503,806 ounces. At the price of $35 stipulated by our Treasury Department, this metal has a value of $1,347.633,210, which is considerably more than enough to meet all requirements of payment in the United States for war supplies, as indicated in the known commitments.

There is reason to believe that some modest gold shipments were made by Russia in the last decade in settlement of balances. Such shipments could not have exceeded what Russia possessed before 1930, and can be left out of account. Any error in the estimate of Russian gold holdings necessarily is one of modesty, rather than exaggeration, for no production is included for the war period, and production continues, even though it may well be more modest than before this war began.

The situation thus presented is all the more singular in view of the requirement that much of the British holdings of gold be utilized, as they were utilized, in defraying war materials purchases before lend-lease aid was extended to Great Britain. Russian gold holdings are spared, and with respect to Moscow our New Deal in Washington enters upon a pure barter agreement which threatens the position of gold far more than any action ever taken by our avowed enemies. All this at a moment when we have every reason for preserving the gold status.

*Editorial—*

## The House Divided

In April, 1917, President Wilson led a united and grimly determined country into an unfortunate and unfruitful war on the other side of the Atlantic Ocean. The American expeditionary force, to which he at first believed himself to be unalterably opposed but eventually came to regard as imperatively necessary, was effective to prolong the conflict, ultimately to turn the scale and vanquish an exhausted enemy and to enable a dictated rather than a negotiated peace. In thus gaining for England and France a peace that was not the "peace without victory" which its leader had advocated America contributed to the satisfaction of the pride and rancor of her associates in the struggle, but accomplished nothing genuinely for their benefit.

The peace of victory and vengeance, as the wisest feared from the beginning and as gradually became apparent wherever men clearly perceived its consequences, was actually detrimental to all concerned, which means to all the world, and created conditions of international inequality and animosity that led rapidly and inevitably to instability and insecurity utterly incompatible with permanent peace. Thus American intervention in the first World War, well-intentioned as it was and urgently solicited as it was by the distant belligerents it was planned to assist, achieved nothing that was desirable. On the contrary, it wrought general and incalculable injury and was perhaps among the greatest of the imponderable forces by which the so-called Peace of Versailles, which if fairly and reasonably negotiated might have supported a period of general peace, prosperity, and progress continuing during many generations, was diminished and degraded to a merely restless and uncertain armistice during which every nation in Europe suffered political economic, and social demoralization.

To the people of the United States the cost of this episode of folly was gruesome and immense. Millions of their sturdy and promising sons were seized and herded as conscripts across the seas, compelled to detested servitude as partisans of a cause of which they knew nothing and in which they had no conceivable interest. Thousands of them never returned at all, while others came back with maimed bodies and minds forever seared with memories of suffering and horror. In mere expenditure, the outlay was appalling to a generation still cherishing a sound currency soundly based upon gold and believing in economical government while determined to protect the integrity of their national obligations "at all hazards." In one year, the highest of all (1919), Federal expenditures had risen to $18,522,894,705, and Federal revenues to $5,152,257,156, while the Federal public debt, which before the war had been reduced to less than $1,000.000.000, had amounted to $25,482,134,419, to them an overwhelming aggregate and not much more than

$5,000,000,000 less than the total which the New Deal now admits that it has added to the same debt during its less than nine years of nominal peace. But a confiding public thought to find some encouragement in the fact that this great debt included $13,458,643,883 that had been loaned to European nations, a credit which every President from Woodrow Wilson to Franklin D. Roosevelt, inclusive, at one time or another insisted should be fully liquidated by the debtors. Alas, in the event, only $2,750,076,760 was ever repaid, and it was not long before all the obligors, except otherwise inconspicuous Finland, against which threats are now fulminated from Washington, callously refused further payments of interest or principal, leaving $11,231,001,000 of this repudiated indebtedness resting upon the taxpayers of the United States.

Reactions to this course of events soon became marked, although they were widely different, both among the European powers, chiefly England and France, with which this country had associated itself to overcome the Germans, and throughout the United States. When the Presidential election of 1920 occurred, the citizenship of the United States had very generally concluded that its recent interference in a European quarrel "not its own" had been an instance of monumental folly amounting almost to a temporary national aberration of mentality and, as such, was one never upon any occasion or excuse to be repeated. The briefly ignored or forgotten warning solemnly registered by the revered Father of His Country, was newly and widely insisted upon and a chastened people firmly resolved never again to enter upon "entangling alliances" involving possible interference in the petty or serious squabbles of European land-grabbers or to depart in their foreign relations from the wise precepts of George Washington. On the other side of the Atlantic, the reactions could not be identical but they were in effect complimentary or reciprocal. The United States was sharply criticized as a laggard coming too late into a war which England and France eventually forced themselves to regard as a "first-line" defense of freedom in America against an autocratic despotism over the whole world personally dictated by Kaiser Wilhelm II, and as an international Shylock peremptorily demanding and taking his pound of flesh from suffering peoples to whose prowess he owed his own alleged immunity from corresponding injuries. Americans who ventured at that time to visit England, France, or Belgium experienced to the full this baseless and unreasoning scorn and resentment.

History, in 1941, is not repeating itself. It never does repeat itself in the details, although some of the broad outlines are frequently almost identical. Now, the United States is not being led into a European war by a President capable of convincing an intelligent people that their duty lies and awaits performance, capable of persuading them to a grim unity and determination sufficient to induce hearty acceptance of unpleasant obligations and ready submission to extreme sacrifices. Just the opposite is taking place. An unconvinced and a reluctant people, without consciousness or even suspicion of injury attributable to any foreign government and supremely indifferent to alleged threats vaguely defined, of which their completely fearless contempt would be immeasurable if they were ever made tangible and definite and hurled at them by any potential enemy, has been maneuvered, without adequate information candidly supplied or asking its consent, into some subtle and still undefined relationship to a warfare, the causes and the objectives of which have never been explained to them and in which their naturally enlisted sympathies are not supported by any consciousness of national interest, obligation, or opportunity to act with benefit to themselves or real benefit to any present participant in the struggle. It is not strange that, under such conditions, the American people is no more united in feeling or sentiment than it is determined forcibly to forward purposes not yet defined to its comprehension.

This condition of public disunity has had numberless illustrations. When the Administration determined to demand additional service, beyond the period of one year which nearly all supposed to be the pledged limit of their involuntary servitude, from the conscripts now under military training, its whole power of executive persuasion in a House of Representatives wholly dominated by Democrats could produce a victory by but one vote. And last week, when the same body was asked, with great urgency, to repeal the principal restrictions of the rather banal Neutrality Act, a weak copy of the Embargo and Non-Intercourse Acts with which this country began the Nineteenth Century, personal solicitation by President Roosevelt and Secretary Hull, although in writing and publicized, obtained but a meager majority of 18 in the popular branch. Such victories are certain, in the long run, to prove more devastating than actual defeats, for a defeat has sometimes the result of shifting responsibility to the prevailing side. Analysis of the later voting is more persuasive than the mere statement that in a House of 429 members (six seats were vacant at the time), with 418 members, all but 11 of the total, voting or paired for or against the measure, there were only 218 members for the Administration against 200 on the negative side. And, although a further defection of nine members would have caused a tie vote and defeat of the Administration, the tide was actually turned by eight States, from Virginia to Louisiana, bordering upon the Atlantic and the Gulf of Mexico. These eight States gave the bill 55 supporters and only eight opponents, without which it would have been lost, for the figures representing all the balance of the United States are 163 for the resolution and 192 for its defeat. From and including Ohio and Michigan to the Ohio River and all west of the Mississippi River, except Louisiana but including Texas and Arkansas, there were 124 members who opposed the measure and only 83 willing to be recorded in its favor.

Undoubtedly, this slender success was obtained at the last practicable moment by President Roosevelt's too equivocal expression construed as in support of legislation against strikes in defense industries. Whether this expression has any real certainty of meaning, or was intended as a binding declaration, may prove to hinge upon the choice of the single term, "closed shop," in preference to "union shop," or the conjoined use of both. John L. Lewis is not urging the "closed shop" for the "captive mines," but something equally obnoxious to those who believe in free men, which he has devised and chosen to call the "union shop." Be that as it may, however, the defection, even temporary, from the New Deal, of such consistent Democrats as Robert L. Doughton of North Carolina, Chairman of the most important of all House committees, that on Ways and Means, is a significant proof of the high character of the opposition that is increasing within the Democratic Party itself, while the vote in its entirety records, but not fully, the intensity of the public sentiment against policies plainly leading to complete war, and, in the opinion of many, to war for which the country is disabled by defective preparation and irreconcilable discontent with the leadership by which war is urged.

No nation can hope to obtain success in a warfare for which it is unprepared or to which great masses of its citizens are opposed—at least until in the midst of conflict, losses and suffering force achievements that ought to have been preparatory and imminent necessities of self-defense and compel a provisional unity which can last only until dangers and distress are removed. The people of the United States, *en masse*, perceive no adequate reason for further intervention in the European and Asiatic struggles which have already overflowed upon long-suffering Africa. Their sympathies are, of course, with English-speaking peoples within the British Isles and wherever they are to be found, but they once before sacrificed greatly believing that it was in the British interest, and are still convinced that all their sacrifices were futile, that in fact they brought forth more evil than good. They are not disposed or at all willing to repeat that experiment nor can they see differences in the situation sufficient to support confidence in a completely different result.

In 1917 and 1918, America was told that Kaiser Wilhelm II, with support of the German peoples, was violently pressing towards world-domination. "Our turn will come next," was the oft-repeated challenge of the proponents of armed intervention. Now they are told that Adolph Hitler, with the same support and with modernized violence, is seeking the same all-pervasive power. "Our turn will come next," shout Knox and Hull and others close to the President. The people believe that they were too readily convinced before and they are not effectively misled by the same assertions and arguments weakly echoed in 1941. Some of them know that similar ambitions were attributed to Napoleon Bonaparte during England's obstinate struggle to make headway against him upon the Continent of Europe—when Washington and John Adams steadfastly refused to become embroiled. The question whether they want Adolph Hitler to dominate the world leaves them cold, for they regard it as susceptible of nothing but an unmitigated negative and, therefore, as a weak begging of the question, which is whether he plans or is capable of attempting such control and how most successfully to resist any aggression against them or their real interests when it comes.

Meanwhile, they feel assured that England could have a negotiated peace at any time upon terms by no means as destructive to the welfare of the masses of the peoples of the British Isles as even as much as one-month's continuance of the struggle that has already so nearly exhausted her resources that they are proclaimed to be no longer adequate for her unassisted defense of her narrow islands or of her outlying possessions. The term "outlying possessions" gives pause to American thought. By what title, it is asked,

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## Pres. Roosevelt Hails American Education Week

Incident to the celebration of American Education Week, Nov. 9-15, President Roosevelt said on Nov. 8 in a letter to "the patrons, students and teachers of American schools" that the theme of the 21st anniversary program, "Education for a Strong America," has in it "a timely note of optimism," reminding us of "the sources of our inherent strength." He also stated that "organized education does its full part to make America strong" and warned against "any feeling of fatalism," saying that "the shape of things to come is ominous only to those who lack resolution." His letter follows:

> The theme of the 21st observance of American Education Week should strike a responsive chord in the hearts of all patriotic citizens. "Education for a Strong America" has in it a timely note of optimism. It reminds us of the sources of our inherent strength—the courage and fortitude of individual men and women devoted to freedom and its defense.
>
> Today's young Americans are not taking their freedoms for granted. They are being taught that freedom must be held by each generation; that it is not by hoarding, but by sacrificial giving that life gains meaning and power.
>
> Organized education does its full part to make America strong. It helps to dispel ignorance and confusion. It builds knowledge and character. It stimulates a desire to achieve the satisfactions of the good life and to eliminate evil from the world.
>
> The challenge of today's tragic world is ever with us. We must guard against any feeling of fatalism. The shape of things to come is ominous only to those who lack resolution; who fail to sense the inherent strength of democracy; who lack faith that we live in a moral universe in which truth, righteousness and justice will eventually be made to triumph.

## Dutch Sell Bonds

The following is learned from a wireless dispatch to the New York "Times" from Amsterdam (via Berlin), Nov. 9:

> The latest Dutch public loan, one of 500,000,000 guilders of 3½% bonds, was marketed at 97½ and has a maturity of 20 years. Repayable in annual drawings, its average return will be below 4%. At present its price is about 96½.
>
> The loan was voluntary, but the authorities issued a scheme for subscription safeguarding subscribers against an eventual 2½% forced loan at par if the issue had not succeeded. The scheme regulated subscriptions of individuals according to their property taxes, while corporations were expected to subscribe amounts equal to 3% of their capital above 50,000 guilders. If the loan had not been successful subscriptions to a forced loan would have doubled the total. The market position of securities plus the scheme resulted in a considerable oversubscription.
>
> This was the first public bond issue since the 4% loan was put out in January.

## 1941 Cotton Loans

On Nov. 5 the Department of Agriculture announced that through Nov. 1, 1941, a total of 244,194 loans on 425,510 bales of 1941 crop cotton were reported by Commodity Credit Corporation. Nearly half the cotton entered the loan in the Texas area. At the same time last year loans had been made on approximately 1,250,000 bales of cotton.

## Economists Predict Rise In Living Costs

A general rise in the cost of living, ranging from 15 to 20%, was predicted for the next year by economists and bankers who took part in an economic trust panel held on Nov. 7 at St. Louis, Mo., as a feature of the annual Mid-Continent Trust Conference of the American Bankers Association. The panel was participated in by Dr. William A. Irwin, economist and national educational director of the American Institute of Banking; Montfort Jones, Prof. of Finance of the University of Pittsburgh; Dr. Willard E. Atkins, Chairman of the Department of Economics, New York University, and H. C. Sauvain, Prof. of Finance and Director of the Investment Research Bureau of Indiana University.

Bankers who took part in the panel discussion were L. H. Rosebery, Vice-President and manager of the Trust Department, Security-First National Bank of Los Angeles; James W. Allison, Vice-President in charge of trusts of the Equitable Trust Co., Wilmington, Del., and William A. Stark, Vice-President and Trust Officer, of the The Fifth-Third Union Trust Co. of Cincinnati, Ohio. The economists and bankers were in agreement that a general rise in the price level of all commodities is "inevitable" but they asserted that with "economic statesmanship" on the part of the government, inflation can be controlled without resort to rigid price fixing measures.

No rigid price control machinery is necessary, according to these experts if fiscal and economic controls are applied in such a way that they will be effective. It is within the power of the government now to make these controls work if the government avoids the pitfalls of political expediency, they agreed.

The national debt, they felt, is significant not in terms of figures, but in terms of post war conditions when the debt will have to be serviced and paid.

They cited five definite points which, in the post war period, they said, will determine whether or not the national debt is reaching disastrous proportions. They are the rate of interest to be paid on the debt, amortization of payments on its principal, the size of our future national income, the amount of public expenditures after the war, and the post-war price level.

## Harriman Back In London

W. Averell Harriman, President Roosevelt's special representative to London expediting lend-lease aid, left New York on Nov. 15 aboard the Pan American Airways' Atlantic Clipper to resume his work. Mr. Harriman, who returned to the United States on Oct. 18, after heading the American mission to the Moscow supply conference, said that he would join Lord Beaverbrook, British Supply Minister, in London to coordinate the supplies of British and American material for Russia. Before departing he praised the passage of the Neutrality Act amendment, saying that the United States was no longer attempting to aid Britain and Russia with one hand tied behind her back.

Mr. Harriman's return to the United States was referred to in our issue of Oct. 30, page 831.

Also aboard the Clipper was a group of five members of the House of Representatives, who plan an 18-day study of the British war position. Members of the Congressional party are Joseph Clark Baldwin and William S. Cole, both of New York; Melvin J. Maas and Richard P. Gale, both of Minnesota, and William S. Hill of Colorado. Their trip is an unofficial one.

## The House Divided

*(Continued from page 1123)*

does England possess South Africa and India, dominate Egypt, control all of Australasia, and command the allegiance of British North America? How satisfactory to the native peoples of India is her rule over that vast and densely populated empire, and how salutary and progressive are her policies wherever her rule has been or may hereafter be challenged? Not many years ago, great numbers of patriotic Americans were ready to sacrifice strongly in order to assist Ireland to escape from what they regarded as the tyranny of England. Very few of them would care now to endure the further deprivations of a long war in order to continue the same nation in the dominance of Egypt, India, and Australasia. Yet is it not clear that perpetuation of the far-flung British Empire in all its vast entirety and potential strength is the sole sufficient reason, from any point of view, for prolongation of the bloodshed and terror?

Nor are these great masses of dissidents satisfied with the leadership under which they are asked to undertake combat, or the terms upon which they are offered national unity of purpose under that leadership, if only they will first surrender all their convictions as to what the united purpose ought to accept or to undertake. A President who demands unity in sacrifice upon an extraordinary scale, yet persistently refuses to sacrifice anything from the costly operations of the vastly expanded and extravagant bureaucracy that he has created, is scarcely to be listened to with enthusiasm by a dairy farmer whose feed-bills are inordinately rising, or by a housewife who has to reduce her carefully planned expenditures for household subsistence, or by a dry-goods clerk who suddenly finds that he has to devote scanty savings to the payment of his income tax. It is difficult fully to believe in the sincerity of demands for extreme endeavors towards the manufacture of arms and munitions, involving even the destruction of small enterprises not transformable for defense production, when the insistent leadership never fails to back away from any contest with organized labor and to every threatened contest invariably yields everything vital that it is within its power to yield. Mothers and fathers are not well-satisfied to surrender their sons as conscripts, for purposes other than to repel invasion that is either actual or demonstrably and presently threatened, while every day they witness steps that, if not in reality planned to provoke a conflict not supported by any constitutional declaration of war or by any direct action by Congress, is plainly tending inevitably toward that undesired result.

Those who read the *New York Times* of last Friday, were advised by its leading editorial, that the amendments to the Neutrality Act just adopted by a scant majority, bring "an end to the lie and the mockery of American neutrality." Possibly that "neutrality" has, for some months, been without actuality and the country, in the fashion determined by Mr. Roosevelt, has been actually a participant in the great foreign struggle. But, if that is true, it is not the great and independent masses of American citizens, who have seen no reason for intervention, who have lied or mocked. Perhaps it is they who have been lied to and who have been mocked. The devious courses and the mendacity of method and performance are not chargeable to them. The tradition so wisely founded by the first President has been mocked, the Constitution which provides that only Congress may declare war has been mocked, but the mockery was not of or from the people of America.

## THE FINANCIAL SITUATION

*(Continued from First Page)*

down as men with wide experience and with the good of their country thoroughly at heart, who are ardently hoping events may presently show that Mr. Lewis has unwittingly done the country an excellent service by precipitating the current coal situation at this particular time—served it well, that is, by creating an occasion out of which grows constructive action of a sort that we have sadly needed for a long while. 'Tis a consummation most devoutly to be wished, and there is certainly some ground for hope that recent excesses of the unions, brought more or less dramatically to a climax by Mr. Lewis in this coal situation, will provoke a more critically thoughtful attitude of mind throughout the country concerning this always troublesome question of labor relations.

It would, however, be well, we believe, for the people to keep their emotions sufficiently under control even under these trying circumstances to trace out calmly the inner structure of our difficulties, and if they do so it will quickly become clear that the situation existing either in the coal mines or elsewhere is not one likely to be completely amenable to mere legislation, whatever its nature, or to controls by administrative procedures. Legislation, if no more than drastic modification of the existing labor laws, we certainly need. A number of other legislative proposals of a more positive nature are being seriously considered, some of which may presently be found to have Administration support. Legislation carefully designed to make the unions more responsible for their acts, to curb the dictatorial powers of a few labor leaders, to eliminate, as far as may be, the dishonesty and fraud of many varieties now perpetrated in many instances upon the members of the unions, and possibly some other provisions of law would be helpful. There is, without question, a good deal that Congress can do to improve matters directly.

But the situation by which we are now confronted goes much deeper than is commonly understood, we suspect. The state of affairs exemplified by the coal conflict is one that calls for a good deal more than the favorite American remedy of "passing a law." It is not likely to be eliminated, or even made endurable until the great rank and file of the American people really come to their senses concerning this question of labor relations. The query, therefore, naturally arises as to how extensively and how deeply all that has been occurring of late has altered the trend of thought, or perhaps better expressed, the sentiment of the American public concerning these matters. If peace were to come tomorrow, and with it an end to all this pressure, emotional and other, to "crush Hitler," would Mr. Lewis and the others who have been so frequently getting in the way of the armament program still be viewed by most citizens as they are today, or is this whole "crisis," so-called, merely a matter of their being troublesome or "selfish" at an inconvenient season? Has popular discontent spread beyond considerations of the defense program, and touched upon the broader, more fundamental, more permanent aspects of the situation in hand?

It is not easy to discern convincing evidence of anything of the sort, and if popular thought has not gone to the rest of the situation and does not do so very quickly we shall not progress very far along the road toward better basic conditions in the labor field. In this column on Thursday, October 23, we said:

> It is hardly surprising that the unending series of labor difficulties by which American industry has been beset for a long while past should be viewed at this time by the rank and file almost wholly in terms of impediments placed in the path of the defense program. The veritable flood of propaganda about the urgency of arming ourselves and every other nation and people who are opposing the Axis powers (albeit with indifferent accomplishment) has so centered the attention and emotions upon that subject that any event or circumstance, whatever its nature or origin, which obviously further retards that effort, is set down by the average man as a matter having to do with the defense program and with little else. There can, of course, be no doubt, no matter what the labor apologists have to say on the subject, that all manner of disputes, which have no basis in unreasonably low wages, over-long hours, or working conditions, have become one of the major handicaps now being suffered by all those engaged in the defense program.
>
> The fact is, however, that all this carries implications for American industry in its peace-time operations, and for the American consumer (which means everybody) fully as serious as those which have to do with the defense program as such, and these implications have their roots in the basic nature of the changes that are taking place in our thinking and in our emoitons. . . .

We again commend these ideas to our readers. They are as true today as they were when they were written and even more pertinent. Legislation designed merely to protect the defense program, or laws erupting merely from vexation over the fact that armament production is being halted or curtailed by labor unions are not altogether likely to be of great benefit, certainly not of lasting benefit. Indeed laws or administrative acts which do not spring from, or are not a reflection of, newly found conviction that something is rotten in our labor attitudes if not in the State of Denmark, will inevitably fall short of the hopes many of the more thoughtful of our citizens are now beginning to entertain.

We take the liberty of again quoting our analysis of the situation on October 23, last:

> . . . class consciousness has been so enthroned in Washington and so instilled into the minds of the American wage-earners that even what passes as peaceful picketing (which is not always quite wholly that) is often not very far from being as effective as any other kind. It is by no means generally realized how widespread and how deeply the notion exists today that it is a sort of disgrace to pass through a picket line whether or not the transgressor is in even a remote way concerned with the controversy which occasions the strike or lockout, or, for that matter, even whether he knows what that controversy is or who is involved in it. Refusal to cross a picket line is fast becoming a part of what the philosopher terms the mores and folkways of the time. Carry all this but a little further, and we shall have something very closely approaching a monopoly, for all practical purposes, in the field of labor without more ado.
>
> Let it be carefully observed that here is a situation which is not an outgrowth merely of law. Certain statutes, like the National Labor Relations Act, which place special restrictions upon employers in their dealing with their employes, and other legislation which, as interpreted by the courts, leaves labor virtually free of restraint under the anti-trust laws, without question are very potent factors in the current state of affairs, but the very existence of such laws

is to be traced to the class consciousness which has been so sedulously and successfully fostered in this country for years past, and, moreover, this state of mind, this increasingly widespread conviction, that almost wholly unrestrained collective bargaining is an unmixed blessing, almost sacrosanct in its innermost quality, this tendency to assume that any employer who finds himself in any controversy with labor is ipso facto to be condemned and the unions supported, is reaching a point where it alone is almost enough to foist a labor monopoly upon us. Indeed, this "class consciousness," in conjunction with the laws it has generated, already appears to be doing so.

The time has come when the American people would do well to take closely to heart the question as to whether it is wise to permit, much less encourage, the growth of this monopoly. Nothing less than such a re-appraisal of the situation and a firm conclusion that something needs to be done in the premises is likely to afford real relief, not merely in connection with the defense program, but as regards the normal course of industry and trade upon which we all must depend for such of the abundant life as we are able to achieve in these or any other times.

Has the President, has Congress, have the American people reached, or are they approaching, a stage where they realize that this persistent encouragement of class consciousness is unwise, even highly dangerous, whether in peace or war? Has organized labor as yet so over-played its hand as to lose its control over the politicians? There is unfortunately all too little evidence of any such sweeping change in the situation, and if none has occurred it would be well not to expect too much even at best from the situation which the coal stoppage appears to be bringing more or less to a head. It may or may not be that the American people are so aroused over international developments that these repeated appeals in the name of patriotism will presently become effective. There are good grounds for misgivings on the subject, but such appeals will in any event lose their force the moment the "emergency" is over. The recent behavior of labor unions has often been a sin against the general well-being of the country and against the best interests of their own memberships, and ought to be characterized and condemned as such by public opinion with such force that we shall have an end of it. Nothing short of that will bring full relief, or anything approaching it.

# The State Of Trade

Business activity is holding at high levels compared with last year, but most industries fell off slightly compared with the previous week's showing. For instance, a further decline in carloadings occurred last week, as the seasonal recession from the fall peak of about 922,000 cars was marked by a sharp drop in miscellaneous traffic according to the report of the Association of American Railroads.

The total number of revenue cars loaded in the period ended Nov. 8th was 873,585 cars, a decline of 21,154, or 2.4% from the preceding week. The gain over the corresponding period last year amounted to 95,267 cars, or 12.2%, while the increase over the similar week of 1939 amounted to 91,997 cars, or 11.8%.

Total electrical energy distributed by the electric light and power industry for the week ended Nov. 8th, amounted to 3,325,574,000 kilowatt-hours, an increase of 16.4% over the same week a year ago. The gain reported for the previous week was 15.8%.

Engineering construction awards for the week, in the amount of $130,160,000, climbed sharply from the $44,209,000 reported for the short preceding week, but were lower than the $139,119,000 reported for the short 1940 week, according to "Engineering News-Record."

Federal work accounts for 75% of the week's volume, and State and municipal construction and private awards each are responsible for 12½%.

Failing an immediate resumption of production in captive coal mines, raw steel production will be curtailed as much as 10% within 10 days and 20% or more within a month if the stoppage continues, according to steel interests here. The reduction of steel output will, in turn, hold up enormous defense projects, munitions contracts and handicap shipbuilding, according to trade estimates.

The American Iron & Steel Institute announced yesterday that ingot output is scheduled this week at 97% of the steel industry's capacity, up 4/10ths of a point from last week. The rate will, however, be subject to such enforced adjustments in operating schedules as may be caused by lack of coal and coke.

It is appreciated quite generally that the country is now going through one of the gravest periods of its history, with the war news completely overshadowed by the domestic labor problem. The final attempt to avert by negotiation the shutdown of the coal mines on which the defense effort depends has ended in failure. At a time like this when unity is our most urgent need, Mr. Lewis has driven the country to the brink of a paralyzing crisis.

The leaders of the CIO have frankly and openly adopted a "rule or ruin" policy. Apparently, if they cannot dominate the defense program, they are not interested in its fate. This indeed forces the hand of the President, and there are indications that effective Congressional action is at last under way. It is generally agreed that the Government cannot afford to back down, now that Lewis and Murray have laid down the gauntlet before the nation in such clear, unmistakable terms.

Should a general strike ensue, even for a short period of time, the effect on general business would be little short of devastating. It has such a bearing on the vital interests of the country, that drastic effective strike legislation is looked for shortly.

While investors have been worried by prospects of repeated demands for higher wages and new walkouts to enforce the closed shop, two other factors have been exerting a more direct and immediate effect upon corporate earnings. These are taxes and priorities, the latter being particularly important in consumer goods industries. High taxes place a ceiling over the earnings of defense industries, so that increased sales cannot be taken to mean increased profits, save in exceptional instances. They reduce earnings of industries whose business is not being greatly stimulated by defense orders, where priorities are cutting down sales volume.

# From Washington

*(Continued from First Page)*

was before. We cannot send one additional ship to Britain because of that action. The only difference is that we won't have to pay Panama any more for registering our ships and letting them fly the Panaman flag. Mr. Roosevelt wanted the repeal to serve as more encouragement to Britain, to show the world that the American people were behind his foreign policy. Regardless of what was said in the debate in Congress, this was the issue. An example of the propaganda in this instance was the fact that Mr. Roosevelt had intended to move a little slower and when three Republican Senators—Bridges, Gurney and Austin—forced the repeal issue, it was widely advertised that they had put the President and the New Dealers in a hole. They had "grabbed the ball," it was widely reported, and as a result they would get "credit" for repeal of the Neutrality Act instead of the President. The President permitted himself to be placed in this "embarrassing" position, it was reported, because he was behind the country's temper.

Now, just how did this action of the three Republican Senators embarrass the President? He wanted repeal of the Neutrality Act. He said so in his message to Congress asking for permission to arm merchant ships. His leaders on Capitol Hill prevailed upon him to take one thing at a time. The three Republican Senators made it possible for him to get what he wanted in one bill. This can hardly be termed as embarrassing a man.

But, having gotten what he wanted in one bill, Mr. Roosevelt also got something else. He got some worthwhile information on the state of feeling in the country which belies the statements of the interventionists that he is behind the parade of public opinion. As a result of this information, he intends, for the next several weeks at least, to soft-pedal "war moves."

**If one will take the trouble to analyze the votes in the Senate and in the House on neutrality repeal he will learn that instead of Mr. Roosevelt being behind public opinion in what the interventionists call his reluctance to move towards war, that the country is, if anything, lagging behind him.**

Take a map of the country and draw a line between North and South. Draw this line south of Maryland and north of Missouri. In other words, put Maryland in the North and Missouri in the South. In this division, Mr. Roosevelt lost his neutrality repeal in the North, based on the House vote, 170 to 100. He lost it proportionately in the Senate vote. It was the South—in this blanket division between North and South—that saved him. In so far as the House was concerned, the balance of power in the South lay with the Southeastern Congressmen. A lot of them bolted to demand that something be done about labor as a price of their supporting his neutrality repeal. It was the President's frantic message to these men, interpreted by Sam Rayburn, the Speaker of the House, to mean a definite promise on Mr. Roosevelt's part, that brought them back into line and saved the President from a disastrous defeat. It is quite clear from an analysis of the vote, and in spite of any polls to the contrary, that Mr. Roosevelt is not lagging behind this country's public opinion in moves towards war.

**It should be worthy of mention, too, that notwithstanding Rayburn's interpretation of what the President intended to do about labor, he is still vigorously opposed to any anti-strike legislation. It is not unlikely that the House, being in the mood it is and further encouraged by the spectacle of the captive mine strike, will now pass such legislation. But the indications are pretty clear that Mr. Roosevelt will head it off in the Senate, and if it should, perchance, pass that body, he would be strongly tempted to veto it and probably would. The facts are that anti-strike legislation still has a long way to go.**

In the meantime, the President having become somewhat chastened by the anti-war state of mind, is most likely to harp, or to have his subordinates harp, for the next several weeks, on the enticing subject of this country "assuming the world leadership" after the war. This chord, as a matter of fact, has been recently coming to the forefront in the Washington chorus. It began with Claude Wickard, the Secretary of Agriculture, saying sometime ago that "food will win the war and save the world." Then there was the Roosevelt-Churchill conference in the Atlantic which promised that the world's raw materials must be accessible to everybody. Following this, came Sumner Welles, suggesting that another version of a League of Nations was needed after the war. Thrown in between these highlights, Adolph Berle, an Assistant Secretary of State, has sounded off occasionally on "our duty to the world" after the war. Ordinarily, all of this would be taken as part of the propaganda to make the German people overthrow their government, something on the line of Wilson's so-called 14 points which attracted them in 1918. But the fact is that in this instance, it is a defnite plan of the New Dealers to keep up the war boom after the war. This is behind their insistence that industry expand—steel, aluminum, all industry. They are switching from the economy of scarcity which they have been preaching, to an economy of plenty. Let's see what our capacity to produce is, regardless of needs. Don't worry about war's end. Build new plants and produce to the limit. Develop agriculture to its highest output.

After the war, we will have the rebuilding of Europe and the feeding of Europe. The world can use our greatest output. The sky is the limit.

To reluctant agriculturists and reluctant industrialists, cautious from overproducing in the past, the frantic argument is: "But we are going to assume the world leadership. We won't make the mistake of World War No. 1."

**In the light of the pageantry of Washington I am looking forward fascinatedly to see the particular manifestation of our "assuming the world leadership." What does a nation do when it does that, when it "assumes the world leadership"? Does it sort of announce by decree that "now we are the world leaders"? Does it pass a law? What does it do? Do a people line up in parade formation and start out to leading the world? Then, what happens if the people of other countries have something else to do on this particular occasion and don't fall in line? It really grips me when I contemplate the spectacle of our "assuming the world leadership." Assuming it, after "failing in our duty" after the last war.**

The utter bunk of it all is what I am trying to get at. It so happens that we "assumed" the world leadership after the last war. There has never been a time, in fact, certainly since the Spanish-American war, when we were not a "leader" in world affairs. The fact that we did not join the League of Nations has no bearing on the foreign policy we pursued in the post-war years. The League was but an instrument, a vehicle. Our policy would have been the same whether we were in the League or out.

Were we not the "leader" in pouring money into Germany in an effort to rehabilitate her? Were we not a leader in pouring money into Britain, France and other European countries? Were we not a leader in pressing France to get off Germany's neck, in forcing the Allied evacuation of the Rhineland, in pressing France to permit the peaceful German occupation of the Ruhr?

**We have long been a "leader" in world affairs. We "led" against the Japanese occupation of China and couldn't get anyone to follow our "lead." We "led" against Mussolini's invasion of Ethiopia and once again could get nobody to follow us.**

What does leadership constitute?

The New Deal version of what it will constitute when we "again assume the world leadership" is to extend credits to Europe, as Secretary Morgenthau says, and it will in turn buy our goods and keep up the boom. There will be this difference this time. After the last war, the Government poured money into Europe for two years; then American industrialists took up the flow. The Government lost and the industrialists lost. This time, the farmers and industrialists will produce for Europe and this Government will pay them. Europe will not have the money. The New Deal economists explain blandly that with a removal of tariff barriers, the European countries will, in time, send us goods in return.

**In the meantime, the American taxpayers will support the new system of international trade. Very likely, something ingenious will be worked out, such as a foreign trading agency which will issue bonds outside the national budget but with the Government's guarantee, which will not be considered a part of the national debt, and which American investors will buy and clip coupons. But somebody, some day, it would seem, whatever the arrangement may be, will have to pay the bill.**

Henry Wallace used to say by way of expressing contempt for our past foreign policy, that "We have been exporting our soil."

What we are getting ready to do, apparently, is to "export our substance." But it will look nice in the schoolbooks that we have once again "assumed the world leadership."

A manufacturer of cattle dipping vats for export to South America, has been having an awful time. He couldn't get priorities for the steel involved from the OPM because he called them "dipping tanks." The OPM insisted that the War Department had to pass on all tanks.

"But these are tanks in which cattle are dipped," he insisted.

"Tanks are tanks," insisted the OPM, "and tanks come under the jurisdiction of the War Department."

He was tipped off to call them "vats" and is on the way to better success.

## Schuess In NYC

Frank X. Schuess has opened offices at 55 West 42nd Street, New York City, to engage in a securities business, specializing in investment trust issues. Mr. Schuess is currently handling Corporate Leaders Trust Fund Certificates.

# Revenue Freight Car Loadings During Week Ended Nov. 8 Amounted To 873,585 Cars

Loading of revenue freight for the week ended Nov. 8, totaled 873,585 cars, the Association of American Railroads announced on Nov. 13. The increase above the corresponding week in 1940 was 95,267 cars or 12.2%, and above the same week in 1939 was 91,997 cars or 11.8%.

Loading of revenue freight for the week of Nov. 8, decreased 21,154 cars or 2.4% below the preceding week.

Miscellaneous freight loading totaled 382,916 cars, a decrease of 18,328 cars below the preceding week, but an increase of 52,692 cars above the corresponding week in 1940.

Loading of merchandise less than carload lot freight totaled 158,966 cars an increase of 45 cars above the preceding week, and an increase of 2,629 cars above the corresponding week in 1940.

Coal loading amounted to 164,568 cars, an increase of 2,265 cars above the preceding week, and an increase of 29,485 cars above the corresponding week in 1940.

Grain and grain products loading totaled 35,532 cars, a decrease of 320 cars below the preceding week, but an increase of 1,717 cars above the corresponding week in 1940. In the Western Districts alone, grain and grain products loading for the week of Nov. 8 totaled 22,647 cars, an increase of 796 cars above the preceding week, and an increase of 2,554 cars above the corresponding week in 1940.

Live stock loading amounted to 18,766 cars, a decrease of 1,055 cars below the preceding week, but an increase of 2,190 cars above the corresponding week in 1940. In the Western Districts alone, loading of live stock for the week of Nov. 8 totaled 15,241 cars, a decrease of 685 cars below the preceding week, but an increase of 2,348 cars above the corresponding week in 1940.

Forest products loading totaled 42,455 cars, a decrease of 2,017 cars below the preceding week, but an increase of 3,656 cars above the corresponding week in 1940.

Ore loading amounted to 56,945 cars, a decrease of 2,433 cars below the preceding week but an increase of 1,278 cars above the corresponding week in 1940.

Coke loading amounted to 13,437 cars, an increase of 689 cars above the preceding week, and an increase of 1,620 cars above the corresponding week in 1940.

All districts reported increases compared with the corresponding weeks in 1940 and 1939.

| | 1941 | 1940 | 1939 |
|---|---|---|---|
| 4 Weeks of January | 2,740,095 | 2,557,735 | 2,288,730 |
| 4 Weeks of February | 2,824,188 | 2,488,879 | 2,282,866 |
| 5 Weeks of March | 3,817,918 | 3,123,916 | 2,976,655 |
| 4 Weeks of April | 2,793,563 | 2,495,212 | 2,225,188 |
| 5 Weeks of May | 4,160,527 | 3,351,840 | 2,926,408 |
| 4 Weeks of June | 3,510,137 | 2,896,953 | 2,563,953 |
| 4 Weeks of July | 3,413,427 | 2,822,450 | 2,532,236 |
| 5 Weeks of August | 4,464,458 | 3,717,933 | 3,387,672 |
| 4 Weeks of September | 3,539,171 | 3,135,122 | 3,102,236 |
| 4 Weeks of October | 3,657,882 | 3,269,476 | 3,355,701 |
| Week of Nov. 1 | 894,739 | 794,797 | 801,108 |
| Week of Nov. 8 | 873,585 | 778,318 | 781,588 |
| Total | 36,689,690 | 31,432,631 | 29,224,341 |

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Nov. 8, 1941. During this period 105 roads showed increases when compared with the same week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS)—WEEK ENDED NOV. 8)

| Railroads | Total Revenue Freight Loaded | | | Total Loads Received from Connections | |
|---|---|---|---|---|---|
| | 1941 | 1940 | 1939 | 1941 | 1940 |
| **Eastern District—** | | | | | |
| Ann Arbor | 422 | 452 | 351 | 3.961 | 2.711 |
| Bangor & Aroostook | 648 | 696 | 719 | 1,511 | 1,244 |
| Boston & Maine | 1,483 | 1,000 | 1,327 | 246 | 220 |
| Chicago, Indianapolis & Louisville | 8.728 | 8,274 | 7,604 | 13,551 | 11,257 |
| Central Indiana | 1,747 | 1,326 | 1,831 | 2,318 | 2,160 |
| Central Vermont | 23 | 18 | 27 | 58 | 54 |
| Delaware & Hudson | 1,544 | 1,355 | 1,437 | 2,556 | 2,209 |
| Delaware, Lackawanna & Western | 6,418 | 6,187 | 5,291 | 10,765 | 8,096 |
| Detroit & Mackinac | 9,127 | 8,742 | 9,270 | 8,572 | 7,716 |
| Detroit, Toledo & Ironton | 454 | 576 | 589 | 156 | 126 |
| Detroit & Toledo Shore Line | 2,450 | 2,680 | 2,675 | 1,200 | 1,174 |
| Erie | 14,957 | 13,833 | 12,831 | 15,769 | 14,345 |
| Grand Trunk Western | 6,254 | 5,672 | 5,028 | 9,201 | 7,909 |
| Lehigh & Hudson River | 227 | 178 | 162 | 2,662 | 2,189 |
| Lehigh & New England | 1,743 | 2,158 | 1,579 | 1,631 | 1,347 |
| Lehigh Valley | 9,336 | 9,368 | 9,052 | 9,593 | 7,422 |
| Maine Central | 3,046 | 3,045 | 2.551 | 2,994 | 2,314 |
| Monongahela | 7,046 | 4,113 | 5,450 | 414 | 222 |
| Montour | 2,542 | 1,973 | 2,206 | 65 | 26 |
| New York Central Lines | 52,114 | 45,216 | 43,150 | 51,846 | 40,180 |
| N. Y., N. H. & Hartford | 12,656 | 10,890 | 9,990 | 16,357 | 13,847 |
| New York, Ontario & Western | 1,102 | 1,200 | 1,021 | 2,333 | 1,897 |
| N. Y., Chicago & St. Louis | 6,780 | 6,104 | 6,188 | 13,459 | 10,417 |
| N. Y., Susquehanna & Western | 418 | 399 | 449 | 1,519 | 1.474 |
| Pittsburgh & Lake Erie | 8.297 | 7.318 | 7.633 | 9.495 | 6.850 |
| Pere Marquette | 6,694 | 7,038 | 6,765 | 6,598 | 5,343 |
| Pittsburgh & Shawmut | 644 | 619 | 712 | 28 | 67 |
| Pittsburgh, Shawmut & North | 402 | 476 | 399 | 251 | 205 |
| Pittsburgh & West Virginia | 1,116 | 711 | 1,461 | 2,578 | 1,920 |
| Rutland | 632 | 609 | 709 | 1,130 | 975 |
| Wabash | 5,616 | 5.566 | 5,943 | 10,468 | 9,248 |
| Wheeling & Lake Erie | 5.614 | 4,367 | 4,975 | 4,303 | 3,516 |
| Total | 180,280 | 162,159 | 159,384 | 207,588 | 168,680 |
| **Allegheny District—** | | | | | |
| Akron, Canton & Youngstown | 675 | 599 | 522 | 1.042 | 942 |
| Baltimore & Ohio | 40,472 | 34.130 | 36,320 | 23.193 | 18,008 |
| Bessemer & Lake Erie | 4,832 | 6.507 | 6,481 | 1,716 | 2,770 |
| Buffalo Creek & Gauley | 268 | 229 | 334 | 1 | 5 |
| Cambria & Indiana | 1,888 | 1,829 | 1,677 | 8 | 13 |
| Central R.R. of New Jersey | 7,309 | 7,106 | 6,427 | 16,254 | 13,238 |
| Cornwall | 670 | 151 | 624 | 45 | 49 |
| Cumberland & Pennsylvania | 279 | 274 | 272 | 29 | 44 |
| Ligonier Valley | 128 | 155 | 154 | 25 | 44 |
| Long Island | 793 | 880 | 778 | 2.722 | 2.547 |
| Penn-Reading Seashore Lines | 1.774 | 1.548 | 1.371 | 1.972 | 1.459 |
| Pennsylvania System | 83.308 | 72.101 | 73.384 | 57.274 | 44.118 |
| Reading Co. | 16.332 | 15.070 | 14.335 | 24,520 | 19.915 |
| Union (Pittsburgh) | 19.514 | 19,285 | 18,698 | 5.678 | 5.936 |
| Western Maryland | 4.310 | 3,604 | 4.482 | 9.899 | 7,416 |
| Total | 182,552 | 163.468 | 165,859 | 144,378 | 116,504 |
| **Pocahontas District—** | | | | | |
| Chesapeake & Ohio | 28.792 | 22.424 | 27.849 | 13.675 | 10.953 |
| Norfolk & Western | 23.766 | 20,029 | 22.254 | 6.513 | 5.034 |
| Virginian | 4,815 | 3,950 | 4,193 | 2,093 | 1,530 |
| Total | 57.373 | 46.403 | 54.296 | 22.281 | 17.517 |
| **Southern District—** | | | | | |
| Alabama, Tennessee & Northern | 392 | 274 | 238 | 257 | 173 |
| Atl. & W. P.—W. R.R. of Ala. | 906 | 814 | 793 | 2,112 | 1,642 |
| Atlanta, Birmingham & Coast | 818 | 698 | 593 | 1,235 | 880 |
| Atlantic Coast Line | 11,062 | 9,994 | 9,865 | 7,046 | 6,225 |
| Central of Georgia | 4,977 | 4,363 | 4,031 | 4,049 | 1,523 |
| Charleston & Western Carolina | 418 | 414 | 397 | 1,554 | 1,238 |
| Clinchfield | 1,814 | 1,360 | 1,393 | 2,702 | 1,941 |
| Columbus & Greenville | 354 | 328 | 328 | 337 | 265 |
| Durham & Southern | 183 | 137 | 184 | 457 | 392 |
| Florida East Coast | 632 | 780 | 800 | 1,045 | 1,077 |
| Gainsville Midland | 42 | 37 | 34 | 103 | 132 |
| Georgia | 1,588 | 1,179 | 975 | 2,585 | 1,821 |
| Georgia & Florida | 452 | 325 | 312 | 856 | 539 |
| Gulf, Mobile & Ohio | 4,060 | 3,622 | 3,621 | 3,599 | 2,947 |
| Illinois Central System | 27,377 | 23,340 | 23,348 | 14,721 | 11,984 |
| Louisville & Nashville | 25,137 | 22,114 | 22,969 | 8,761 | 6,278 |
| Macon, Dublin & Savannah | 212 | 140 | 176 | 748 | 701 |
| Mississippi Central | 172 | 177 | 169 | 398 | 423 |
| Nashville, Chattanooga & St. L. | 3,773 | 3,390 | 2,908 | 3,660 | 3,129 |
| Norfolk Southern | 1,123 | 1,198 | 1,504 | 1,315 | 1,132 |
| Piedmont Northern | 534 | 420 | 386 | 1,680 | 1,163 |
| Richmond Fred. & Potomac | 438 | 388 | 422 | 6,381 | 4.869 |
| Seaboard Air Line | 10.547 | 10,424 | 9,351 | 7,815 | 5,408 |
| Southern System | 24,833 | 22,464 | 22,469 | 22,942 | 16,887 |
| Tennessee Central | 562 | 429 | 395 | 767 | 643 |
| Winston-Salem Southbound | 143 | 152 | 191 | 930 | 844 |
| Total | 122,549 | 108,961 | 107,852 | 98,055 | 74,256 |
| **Northwestern District—** | | | | | |
| Chicago & North Western | 21,430 | 19,101 | 19,288 | 13,135 | 10,524 |
| Chicago Great Western | 2,758 | 2,634 | 2,565 | 3,305 | 2,975 |
| Chicago, Milw., St. P. & Pac. | 23,090 | 20,740 | 20,708 | 9.782 | 7.776 |
| Chicago, St. P., Minn. & Omaha | 4,133 | 3,653 | 4,071 | 4,626 | 3,550 |
| Duluth, Missabe & Iron Range | 20,023 | 18,719 | 15,096 | 246 | 163 |
| Duluth, South Shore & Atlantic | 1,360 | 684 | 796 | 618 | 461 |
| Elgin, Joliet & Eastern | 10,450 | 9,400 | 8,599 | 9,384 | 7,716 |
| Ft. Dodge, Des Moines & South | 548 | 512 | 358 | 138 | 156 |
| Great Northern | 22,809 | 17,509 | 18,964 | 4,371 | 3,526 |
| Green Bay & Western | 703 | 641 | 632 | 764 | 701 |
| Lake Superior & Ishpeming | 2,149 | 3,461 | 3,555 | 80 | 87 |
| Minneapolis & St. Louis | 1,775 | 1,761 | 1,785 | 2,471 | 1,843 |
| Minn., St. Paul & S. S. M. | 8,120 | 6,984 | 6,892 | 3,219 | 2,604 |
| Northern Pacific | *13,620 | 11,679 | 11,770 | 4,290 | 3,613 |
| Spokane International | 169 | 175 | 199 | 333 | 254 |
| Spokane, Portland & Seattle | 2,433 | 1,828 | 1,725 | 2,520 | 1,841 |
| Total | 135,570 | 119,481 | 117,003 | 59,282 | 47,784 |
| **Central Western District—** | | | | | |
| Atch. Top. & Santa Fe System | 23,348 | 21,304 | 22,161 | 8,959 | 7,176 |
| Alton | 3,231 | 2,960 | 3,017 | 2,823 | 2,221 |
| Bingham & Garfield | 1,155 | 537 | 423 | 106 | 104 |
| Chicago, Burlington & Quincy | 19,533 | 17,550 | 18,421 | 10,890 | 9,083 |
| Chicago & Illinois Midland | 2,447 | 2,420 | 2,112 | 835 | 771 |
| Chicago, Rock Island & Pacific | 13,200 | 12.813 | 12.027 | 10.603 | 9.02 |
| Chicago & Eastern Illinois | 2,837 | 2,682 | 2,756 | 3.091 | 2,524 |
| Colorado & Southern | 1,356 | 1,060 | 1,300 | 1.853 | 1,56 |
| Denver & Rio Grande Western | 4,852 | 4,323 | 4,334 | 5,149 | 3,467 |
| Denver & Salt Lake | 723 | 650 | 846 | 16 | 9 |
| Fort Worth & Denver City | 1,258 | 1,274 | 1,258 | 1,310 | 1,087 |
| Illinois Terminal | 1,959 | 1,782 | 2,031 | 1.898 | 1,55 |
| Missouri-Illinois | 1,064 | 892 | 1,138 | 473 | 357 |
| Nevada Northern | 1,979 | 1,854 | 1,880 | 129 | 13 |
| North Western Pacific | 1,040 | 730 | 747 | 425 | 40 |
| Peoria & Pekin Union | 21 | 25 | 32 | 0 | [illegible] |
| Southern Pacific (Pacific) | 30,169 | 27,316 | 24,948 | 8,172 | 6.00 |
| Toledo, Peoria & Western | 321 | 396 | 357 | 1.670 | 1.37 |
| Union Pacific System | 22,320 | 19,313 | 19,575 | 12,755 | 10,57 |
| Utah | 478 | 508 | 505 | 7 | [illegible] |
| Western Pacific | 2 547 | 2 021 | 1,950 | 3 248 | 2.44 |
| Total | 135,838 | 122,410 | 121,818 | 74,412 | 59,874 |
| **Southwestern District—** | | | | | |
| Burlington-Rock Island | 261 | 157 | 148 | 241 | 258 |
| Gulf Coast Lines | 3,478 | 2,998 | 3,207 | 1,948 | 1,515 |
| International-Great Northern | 2,002 | 1,699 | 1,757 | 2,570 | 2,285 |
| Kansas, Oklahoma & Gulf | 205 | 248 | 224 | 1,127 | 913 |
| Kansas City Southern | 2,716 | 2,382 | 2,162 | 2.657 | 1,953 |
| Louisiana & Arkansas | 2,662 | 2,030 | 2,019 | 2,038 | 1,682 |
| Litchfield & Madison | 397 | 276 | 368 | 1,052 | 993 |
| Midland Valley | 689 | 633 | 636 | 289 | 194 |
| Missouri & Arkansas | 146 | 183 | 247 | 382 | 391 |
| Missouri-Kansas-Texas Lines | 4,642 | 4,435 | 4,323 | 3,423 | 3,077 |
| Missouri Pacific | 16,357 | 15,285 | 15,615 | 12,401 | 10,202 |
| Quanah Acme & Pacific | 139 | 187 | 97 | 190 | 109 |
| St. Louis-San Francisco | 9,140 | 8,862 | 8.340 | 6,303 | 4.502 |
| St. Louis Southwestern | 2.984 | 2,962 | 2,854 | 3,554 | 2,550 |
| Texas & New Orleans | 7,990 | 7,678 | 7,737 | 4.197 | 3,503 |
| Texas & Pacific | 5,424 | 5,258 | 5,468 | 4,974 | 4,150 |
| Wichita Falls & Southern | 160 | 153 | 151 | 40 | 83 |
| Weatherford M. W. & N. W. | 31 | 10 | 23 | 23 | 18 |
| Total | 59,423 | 55,436 | 55,376 | 47,409 | 38,384 |

Note—Previous year's figures revised. * Previous figures.

# Flour Output For October Continues Higher

During October mills which annually produce 65% of the flour manufactured in the United States turned out a sizable increase in production over the same month last year, reports compiled by "The Northwestern Miller" show. In the month just ended, 6,469,796 barrels produced by these mills represented a 291,000-barrel gain over the previous month's figures and an increase of 234,000 barrels over the October, 1940 output.

Increases over the production of the same month last year were evident at the larger producing centers. The Northwestern gain was almost 350,000 barrels; in the Southwest, the increase was nearly 145.000 barrels, but Buffalo mills produced about 40,000 less in October this year than last.

Monthly increases over September, 1941, were numerous. Northwestern mills moved ahead about 105,000 barrels, southwestern plants 62,000, Buffalo 24,000, North Pacific Coast 21,000 and mills of the eastern Central West 27,000 barrels. The Pacific figures, however, showed a decrease of more than 200,000 barrels from the October, 1940, report.

Below is a detailed table, with comparative figures.

TOTAL MONTHLY FLOUR PRODUCTION
(Reported by mills producing 65% of the flour manufactured in the U. S.)

| | October, 1941 | Previous month | October 1940 | 1939 | 1938 |
|---|---|---|---|---|---|
| Northwest | 1,562,742 | 1,457,038 | 1,214,435 | 1,470.123 | 1.530.064 |
| Southwest | 2,433,107 | 2,370,318 | 2.228.249 | 2.334.965 | 2.249.956 |
| Buffalo | 891.998 | 867,675 | 932.275 | 1,006.681 | 1,028.030 |
| Central West—Eastern Division | 623,779 | 551,410 | 606.553 | 487,708 | 528.490 |
| Western Division | 273.007 | 272,271 | 274.250 | 295.816 | 326.815 |
| Southeast | 107,751 | 103,597 | 139,581 | 131.217 | *346.597 |
| Pacific Coast | 577,412 | 556,466 | 780.514 | 610.967 | 438.506 |
| Totals | 6,469,796 | 6,178,775 | 6,235,857 | 6,337,477 | 6,448,458 |

* Includes Indiana, since 1938 under Central West, Eastern Division.

# President Urges All To Join Red Cross

President Roosevelt urged on Nov. 10 that all Americans join the American Red Cross, asserting that "our citizens'" support "must be increased very substantially this year." The annual roll-call for membership in the Red Cross was launched on Armistice Day, Nov. 11, and will continue through Nov. 30. Adult membership last year was 9,190,474, and this year the Red Cross seeks a membership to match the World War peak of 18,000,000.

In his appeal the President said that the success of the drive, "in this period of emergency, is a matter of vital concern to all of us as citizens of a free democracy." He also pointed out the need of increased contributions required of the Red Cross for national defense and for civilian defense preparedness.

Mr. Roosevelt's statement follows:

> The American Red Cross is about to begin its annual membership roll call. Its success, in this period of emergency, is a matter of vital concern to all of us as citizens of a free democracy.
>
> The quickening pace of our defense program shows that our strength can be tempered to meet steel with steel. And voluntary enlistment in Red Cross work—through membership—will prove that we have the heart as well as the sinews to keep ourselves strong and free.
>
> The Congress has charged our Red Cross with well-defined obligations to our soldiers and sailors, and to their families defending the home front. The vast expansion in our armed forces has increased the cost of this traditional Red Cross work more than we realize.
>
> For every member who supported these services to the armed forces two years ago, ten are needed today.
>
> Red Cross contributions to our national defense extend far beyond the welfare problems of service men and their families. The Red Cross is playing a major role in civilian defense preparedness.
>
> Because of its long experience in community service through its 3,700 local chapters, the gigantic task faced by civilian defense coordinators can be more easily achieved. The organization's long established work in disaster relief, emergency first aid and other essential fields has played a large part in strengthening our home defenses.
>
> Our citizens make possible this work, so important to our national unity, both through their membership dollars and voluntary participation in Red Cross services. This support must be increased very substantially this year.
>
> As Chief Executive of the United States and President of the Red Cross, I therefore strongly urge every American to enroll in the American Red Cross.
>
> FRANKLIN D. ROOSEVLLT.

In a radio broadcast on Nov. 11 the President and other officials joined in urging citizens to enroll in the Red Cross. Mr. Roosevelt's statement, read by Norman H. Davis, Chairman of the organization, said that "for our men in uniform and for our civilians at home, the services which the Red Cross performs are an essential part of our preparedness program." He [illegible]ued:

> This year the Red Cross needs our support more than ever before. Its tasks have been tripled and quadrupled.
>
> As Chief Executive of the United States and President of the American Red Cross, I

strongly urge my fellow-citizens to join as members during the present roll-call.

Others taking part in the program included: Secretary of War Stimson, Secretary of the Navy Knox and Secretary of Labor Perkins.

## N. Y. Chamber Opposes St. Lawrence Waterway

Elimination of the St. Lawrence Waterway project and other non-defense, unessential undertakings from the billion dollar omnibus Rivers and Harbors bill on the ground that their construction "would place further unnecesary strain upon the vital resources of the nation" was urged in a report presented and adopted (after a slight amendment) at the monthly meeting of the New York State Chamber of Commerce on Nov. 6. Drawn by the Executive Committee, of which H. Boardman Spalding is Chairman, the report warns that if the United States is to avoid grave financial difficulties, the citizens must unite in a nation-wide demand upon Congress that "outside of national defense, not one dollar shall be appropriated for projects which are not immediately essential to the welfare of the nation." The report also stated:

> At a time when the Government is tapping every available resource to raise money and must devise further new sources in the very near future, every dictate of common sense and sound judgment should compel the rejection at this time of long-range, costly public undertakings which can contribute nothing to our own immediate defense needs or to our help to Great Britain and her allies, but which, on the other hand, would divert money, materials and manpower from them.
>
> Every loyal American will appreciate the necessity of having to pay greatly increased taxes to help finance our defense effort and will accept them as a matter of course, but the taxpayers cannot be blamed for objecting strenuously to digging into their pockets for another billion dollars to be spent on projects which are wholly unnecessary now. It is difficult to reconcile this prodigality with the Government's plea to the public to economize and buy defense bonds.
>
> The Chamber appreciates that many items in the Rivers and Harbors bill are essential to the proper maintenance and improvement of the nation's important waterways and cannot be safely postponed; as such they merit the united support of Congress.

The report on the Rivers and Harbors bill was slightly amended before a vote was taken. At the suggestion of President Johnston, who presided at the meeting, and upon formal motion of H. Boardman Spalding, Chairman of the Executive Committee, the following sentence was stricken out:

> We cannot condemn too too strongly, however, the selfish, unpatriotic motives responsible for saddling this meaure with costly, unnecessary projects in the hope that they would be carried to passage along with the essential ones.

This sentence was substituted for it:

> We again reiterate the Chamber's position, however, that we are opposed to saddling this measure with the St. Lawrence Waterway or any other non-defense, unessential projects.

The Chamber on previous occasions has taken a stand in opposition to the inclusion of provision for the St. Lawrence Waterway project in the River and Harbors Bill, and a reference thereto appeared in our issue of Jan. 11, page 209.

## Wholesale Commodity Prices Advance Slightly In Week Ended Nov. 8, Reports Labor Bureau

Commodity prices in wholesale markets continued to advance moderately during the week ended Nov. 8. With a gain of 0.1% the Bureau of Labor Statistics' index of nearly 900 price series rose to 91.7% of the 1926 average. This was the level reached by the index in mid-October, which was followed by a short, sharp reaction, Acting Commissioner Hinrichs reported on Nov. 13. Although commodity prices have been fairly steady for the past two months, the all commodity index is more than 16% above a year ago.

The Labor Bureau's announcement further said:

> Wholesale prices of grains and their products were substantially higher in the first week of November. Corn and oats advanced about 5%; barley, more than 4%; wheat, 3% and rye, 2%. Prices for cereal products were up 2%, and cattle feed advanced over 7%. Seasonally higher prices continued in fruit and vegetable markets, with apples, onions, potatoes and dried fruits rising sharply. Cotton, hay, seeds, and peanuts also advanced. Following the marked rise of the preceding week, livestock prices fell 2.7%, with lower prices reported for calves, steers, hogs, lambs and live poultry. Average prices for meats declined slightly because of lower quotations for fresh pork, bacon, ham and veal. Higher prices for butter, fresh milk at Chicago, and condensed and powdered milk brought the index for dairy products up 0.6%. Quotations were also higher for cocoa beans, lard, pepper and certain vegetable oils.
>
> Minor price increases were reported for sheeting, topcoating, worsted yarns and for rayon underwear.
>
> Average wholesale prices for woolen blankets continued to rise, and higher prices were also reported for sewing machines and for office furniture.
>
> Weakening prices for fuel oil and gasoline caused the petroleum products index to drop 1.3%. Bituminous coal in some areas and kerosene advanced slightly.
>
> Except for an advance in prices for quicksilver, the metal markets were steady under continued government regulation of most primary and scrap materials.
>
> Lower prices for paint materials such as tung and linseed oils and rosin and turpentine, together with weakening prices for yellow pine boards, dimension, drop siding, finish, and flooring and for red cedar shingles, and maple and oak flooring, caused the index for building materials to drop 0.2%. Prices were higher for yellow pine lath and timbers and for ponderosa, Idaho and sugar pine.
>
> The following tables show (1) index numbers for the principal groups of commodities for the past 3 weeks, for Oct. 11, 1941 and Nov. 9, 1940 and the percentage changes from a week ago, a month ago, and a year ago (2) percentage changes in subgroup indexes from Nov. 1 to Nov. 8, 1941.

(1926=100)

| | | | | | | Percentage changes to Nov. 8, 1941 from— | | |
|---|---|---|---|---|---|---|---|---|
| | 11-8 | 11-1 | 10-25 | 10-11 | 11-9 | 11-1 | 10-11 | 11-9 |
| Commodity Groups | 1941 | 1941 | 1941 | 1941 | 1940 | 1941 | 1941 | 1940 |
| **All Commodities** | **91.7** | **91.6** | **91.2** | **91.6** | **78.8** | **+0.1** | **+0.1** | **+16.4** |
| Farm products | 89.6 | 89.5 | 88.1 | 90.5 | 67.2 | +0.1 | —1.0 | +33.3 |
| Foods | 88.8 | 88.2 | 87.5 | 89.2 | 71.7 | +0.7 | —0.4 | +23.8 |
| Hides and leather products | 114.1 | 114.1 | 113.2 | 112.6 | 102.4 | 0.0 | +1.3 | +11.4 |
| Textile products | 90.4 | 90.3 | 90.3 | 90.1 | 73.9 | +0.1 | +0.3 | +22.3 |
| Fuel and lighting materials | 79.7 | 79.9 | 79.9 | 79.9 | 72.5 | —0.3 | —0.3 | + 9.9 |
| Metals and metal products | 102.2 | 102.2 | 102.2 | 98.6 | 97.4 | 0.0 | +3.7 | + 4.9 |
| Building materials | 107.1 | 107.3 | 107.0 | 107.1 | 98.3 | —0.2 | 0.0 | + 9.0 |
| Chemicals and allied products | 89.8 | 89.8 | 89.6 | 89.8 | 77.2 | 0.0 | 0.0 | +16.3 |
| Housefurnishing goods | 100.1 | 100.0 | 99.9 | 99.7 | 90.1 | +0.1 | +0.4 | +11.1 |
| Miscellaneous commodities | 85.9 | 85.5 | 85.5 | 85.9 | 77.1 | +0.5 | 0.0 | +11.4 |
| Raw materials | 89.2 | 89.1 | 88.2 | 89.6 | 71.6 | +0.1 | —0.4 | +24.6 |
| Semi-manufactured articles | 89.5 | 89.7 | 89.7 | 89.7 | 80.2 | —0.2 | —0.2 | +11.6 |
| Manufactured products | 93.5 | 93.4 | 93.1 | 93.1 | 82.4 | +0.1 | +0.4 | +13.5 |
| All commodities other than farm products | 92.2 | 92.1 | 91.9 | 91.9 | 81.4 | +0.1 | +0.3 | +13.3 |
| All commodities other than farm products and foods | 93.1 | 93.1 | 93.0 | 92.3 | 83.9 | 0.0 | +0.9 | +11.0 |

Percentage Changes in Subgroup Indexes from Nov. 1 to Nov. 8, 1941

Increases

| | | | |
|---|---|---|---|
| Cattle feed | 7.4 | Hosiery and underwear | 0.2 |
| Grains | 3.9 | Woolen & worsted goods | 0.2 |
| Cereal products | 2.0 | Cotton goods | 0.1 |
| Fruits and vegetables | 1.2 | Other textile products | 0.1 |
| Other farm products | 1.0 | Bituminous coal | 0.1 |
| Dairy products | 0.6 | Cement | 0.1 |
| Other foods | 0.6 | Furnishings | 0.1 |
| Paper and pulp | 0.3 | Furniture | 0.1 |
| Oils and fats | 0.1 | | |

Decreases

| | | | |
|---|---|---|---|
| Livestock and poultry | 2.7 | Paint and paint materials | 0.5 |
| Petroleum products | 1.3 | Lumber | 0.4 |
| Meats | 0.1 | | |

## Bank Debits Up 7% From Last Year

Bank debits as reported by banks in leading centers for the week ended Nov. 12 aggregated $9,070,000,000. Total debits during the 13 weeks ended Nov. 12 amounted to $136,119,000,000, or 27% above the total reported for the corresponding period a year ago. At banks in New York City there was an increase of 23% compared with the corresponding period a year ago, and at the other reporting centers there was an increase of 29%.

SUMMARY BY FEDERAL RESERVE DISTRICTS
(In millions of dollars)

| | Week Ended | | 13 Weeks Ended | |
|---|---|---|---|---|
| Federal Reserve District | Nov. 12, 1941 | Nov. 13, 1940 | Nov. 12, 1941 | Nov. 13, 1940 |
| Boston | 543 | 501 | 7.489 | 6.201 |
| New York | 3,551 | 3.593 | 53,980 | 43,770 |
| Philadelphia | 484 | 433 | 7.137 | 5.463 |
| Cleveland | 632 | 571 | 10,008 | 7,752 |
| Richmond | 391 | 335 | 5,620 | 4,180 |
| Atlanta | 311 | 259 | 4.519 | 3.368 |
| Chicago | 1,376 | 1,230 | 20,690 | 15,835 |
| St. Louis | 296 | 258 | 4.550 | 3 298 |
| Minneapolis | 184 | 140 | 2.787 | 2.137 |
| Kansas City | 293 | 253 | 4.373 | 3.403 |
| Dallas | 256 | 205 | 3 622 | 2 677 |
| San Francisco | 754 | 669 | 11,345 | 8,913 |
| Total, 274 reporting centers | 9,070 | 8.447 | 136.119 | 106.997 |
| New York City* | 3.224 | 3.305 | 49.331 | 39.959 |
| 140 Other leading centers* | 5,029 | 4.428 | 74.833 | 57.777 |
| 133 Other centers | 818 | 714 | 11,956 | 9,262 |

* Included in the national series covering 141 centers, available beginning with 1919.

## Retail Price Continue Advance In October According To Fairchild Publications Index

Retail prices reached a new high in the present upward movement, although the rate or gain has slowed down considerably. The Fairchild Publications retail price index as of Nov. 1 shows a gain of only 1% compared with Oct. 1, the smallest monthly advance since May. However, the index shows a gain of 13.5% over the corresponding period a year ago. Quotations also show an advance of 19.5% over the period immediately preceding the outbreak of the war.

The firm's announcement, issued Nov. 14, further said:

> Each one of the major groups again advanced during the month, with the largest gain recorded in piece goods, with women's apparel and home furnishings following. Piece goods and women's apparel also showed the greatest advances over the corresponding period a year ago. In comparison with the period immediately preceding the outbreak of the war piece goods and home furnishings showed the greatest advances.
>
> Despite the fact that October recorded the smallest gain for any month since May, not one item in the index showed a decline from the previous month. However, there were a number of items which remained unchanged. These included furs, women's shoes and infants' socks. Marked gains, however, were recorded in sheets and pillow cases, women's hosiery, women's aprons and housedresses, women's underwear, men's underwear, infants' underwear, musical instruments and luggage.
>
> While a further gain in retail prices is indicated, the advance should nevertheless be within a restricted range, according to A. W. Zelomek, economist, under whose supervision the index is compiled. He points out that the momentum of the current advance has been lost, although the peak in the present movement may not be seen for several months.

THE FAIRCHILD PUBLICATIONS RETAIL PRICE INDEX
Jan. 3, 1931 = 100
Copyright 1941 Fairchild News Service

| | May 1 1933 | Nov. 1 1940 | Aug. 1 1941 | Sept. 2 1941 | Oct. 1 1941 | Nov. 1 1941 |
|---|---|---|---|---|---|---|
| Composite index | 69.4 | 93.6 | 99.6 | 102.6 | 105.2 | 106.2 |
| Piece goods | 65.1 | 86.7 | 93.3 | 97.1 | 99.9 | 101.6 |
| Men's apparel | 70.7 | 89.3 | 91.5 | 93.3 | 95.5 | 96.5 |
| Women's apparel | 71.8 | 92.1 | 96.9 | 100.4 | 104.1 | 105.7 |
| Infants' wear | 76.4 | 97.7 | 98.7 | 100.0 | 101.2 | 102.1 |
| Home furnishings | 70.2 | 95.3 | 102.4 | 104.9 | 105.9 | 108.5 |
| Piece Goods— | | | | | | |
| Silks | 57.4 | 69.4 | 72.0 | 76.7 | 78.9 | 79.8 |
| Woolens | 69.2 | 87.6 | 93.2 | 95.8 | 98.4 | 99.5 |
| Cotton wash goods | 68.6 | 103.2 | 114.6 | 118.7 | 122.4 | 125.6 |
| Domestics— | | | | | | |
| Sheets | 65.0 | 93.6 | 100.8 | 104.8 | 108.9 | 111.4 |
| Blankets & comfortables | 72.9 | 116.0 | 120.8 | 122.8 | 123.8 | 124.4 |
| Women's Apparel— | | | | | | |
| Hosiery | 59.2 | 73.4 | 73.5 | 79.4 | 83.4 | 86.0 |
| Aprons & house dresses | 75.5 | 106.1 | 111.0 | 114.6 | 121.4 | 124.6 |
| Corsets & brassieres | 83.6 | 93.0 | 94.6 | 96.3 | 99.1 | 100.1 |
| Furs | 66.8 | 106.0 | 126.2 | 133.0 | 138.1 | *138.1 |
| Underwear | 69.2 | 86.0 | 88.0 | 90.7 | 93.8 | 95.7 |
| Shoes | 76.5 | 88.9 | 89.1 | 89.5 | 89.6 | 89.6 |
| Men's Apparel— | | | | | | |
| Hosiery | 64.9 | 87.6 | 89.2 | 91.3 | 94.3 | 94.8 |
| Underwear | 69.6 | 92.0 | 94.2 | 96.6 | 100.3 | 102.8 |
| Shirts & neckwear | 74.3 | 86.0 | 87.4 | 88.3 | 90.0 | 91.4 |
| Hats & caps | 69.7 | 83.0 | 85.7 | 86.9 | 89.0 | 89.1 |
| Clothing incl. overalls | 70.1 | 92.0 | 95.2 | 97.1 | 98.3 | 99.2 |
| Shoes | 76.3 | 94.8 | 97.4 | 99.6 | 101.0 | 101.7 |
| Infants' Wear— | | | | | | |
| Socks | 74.0 | 103.8 | 104.0 | 105.3 | 106.3 | 106.3 |
| Underwear | 74.3 | 95.2 | 95.9 | 96.8 | 98.8 | 100.3 |
| Shoes | 80.9 | 94.1 | 96.3 | 97.9 | 98.6 | 99.6 |
| Furniture | 69.4 | 101.5 | 116.7 | 120.5 | 123.1 | 124.7 |
| Floor coverings | 79.9 | 127.5 | 135.1 | 136.7 | 138.3 | 138.6 |
| Musical instruments | 50.6 | 54.0 | 56.7 | 58.9 | 61.3 | *64.6 |
| Luggage | 60.1 | 76.0 | 79.1 | 81.8 | 84.2 | *89.2 |
| Electrical Household— | | | | | | |
| Appliances | 72.5 | 80.0 | 84.9 | 87.1 | 89.0 | *90.4 |
| China | 81.5 | 94.6 | 102.1 | 103.4 | 104.1 | 105.1 |

Note:—Composite index is a weighted aggregate. Major group indexes are arithmetic averages of subgroups.

*The Federal tax of 10% at retail is excluded in the computation of the fur index. The excise taxes on luggage, radios, and electrical appliances are levied on the manufacturers.

## Oct. Living Costs Higher In Industrial Cities

Although the cost of living in the entire United States increased 1.2% in October, or at about the same rate as in the previous six months, increases in 60 industrial cities ranged from 0.5% to 2.4%, according to the Division of Industrial Economics of The Conference Board, which under the date of Nov. 12 said:

> Several of the largest increases were in cities of the South and Far West: 2.4% in Atlanta, 2.3% in Chattanooga, 2.3% in San Francisco, 2.1% in Los Angeles, and 2.0% in Dallas. The smallest increases were in St. Louis, New Orleans, Wilmington, Delaware, Meadville, Pennsylvania, Louisville, and Cleveland.
>
> The cost of living in the entire country was 7.5% higher in October than in October, 1940, but in 56 industrial cities it increased by percentages ranging from 5.1% in Spokane to 13.0% in Syracuse. The median increase of 8.1% occurred in Manchester, New Hampshire, and Omaha.
>
> Percentage changes from September to October, in order of size, are tabulated below.

Percentage Changes in Living Costs in 60 Cities from September to October, 1941
Source: The Conference Board

| City | % Chge. | City | % Chge. | City | % Chge. |
|---|---|---|---|---|---|
| Atlanta | +2.4 | Manchester, N. H. | +1.4 | Detroit | +1.0 |
| Chattanooga | +2.3 | Richmond | +1.4 | New York | +1.0 |
| San Francisco | +2.3 | Sacramento | +1.4 | Roanoke, Va. | +1.0 |
| Akron | +2.1 | Boston | +1.3 | Minneapolis | +0.9 |
| Los Angeles | +2.1 | Front Royal, Va. | +1.3 | Newark | +0.9 |
| Dallas | +2.0 | Memphis | +1.3 | Baltimore | +0.8 |
| Syracuse | +2.0 | Muskegon | +1.3 | Grand Rapids | +0.8 |
| Erie, Pa. | +1.8 | Omaha | +1.3 | Providence | +0.8 |
| Houston | +1.8 | St. Paul | +1.3 | Wausau, Wis. | +0.8 |
| Macon | +1.8 | Dayton | +1.2 | Bridgeport | +0.7 |
| Seattle | +1.8 | Indianapolis | +1.2 | Kansas City, Mo. | +0.7 |
| Buffalo | +1.6 | Portland, Ore. | +1.2 | Milwaukee | +0.7 |
| Fall River | +1.6 | Toledo | +1.2 | Parkersburg, W. Va. | +0.7 |
| Oakland | +1.6 | Birmingham | +1.1 | Pittsburgh | +0.7 |
| Philadelphia | +1.6 | Des Moines | +1.1 | Cleveland | +0.6 |
| Lansing | +1.5 | Duluth | +1.1 | Louisville | +0.6 |
| Youngstown | +1.5 | New Haven | +1.1 | Meadville, Pa. | +0.6 |
| Cincinnati | +1.4 | Rochester | +1.1 | Wilmington, Del. | +0.6 |
| Denver | +1.4 | Spokane | +1.1 | New Orleans | +0.5 |
| Lynn | +1.4 | Chicago | +1.0 | St. Louis | +0.5 |

## Weekly Statistics of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

| Period | Orders Received Tons | Production Tons | Unfilled Orders Remaining Tons | Percent of Activity | |
|---|---|---|---|---|---|
| | | | | Current | Cumulative |
| **1940**—*Month of*— | | | | | |
| January | 528,155 | 579,739 | 167,240 | 72 | 71 |
| February | 420,639 | 453,518 | 137,631 | 70 | 71 |
| March | 429,334 | 449,221 | 129,466 | 69 | 70 |
| April | 520,907 | 456,942 | 193,411 | 70 | 70 |
| May | 682,490 | 624,184 | 247,644 | 76 | 72 |
| June | 508,005 | 509,781 | 236,693 | 79 | 73 |
| July | 544,221 | 587,339 | 196,037 | 72 | 73 |
| August | 452,613 | 487,127 | 162,653 | 74 | 73 |
| September | 468,870 | 470,228 | 163,769 | 72 | 73 |
| October | 670,473 | 648,611 | 184,002 | 79 | 73 |
| November | 488,990 | 509,945 | 161,985 | 77 | 73 |
| December | 464,537 | 479,099 | 151,729 | 71 | 73 |
| **1941**—*Month of*— | | | | | |
| January | 673,446 | 629,863 | 202,417 | 75 | -- |
| February | 608,521 | 548,579 | 261,650 | 81 | -- |
| March | 652,128 | 571,050 | 337,022 | 82 | -- |
| April | 857,732 | 726,460 | 447,525 | 83 | -- |
| May | 656,437 | 602,323 | 488,993 | 84 | -- |
| June | 634,684 | 608,995 | 509,231 | 88 | -- |
| July | 509,231 | 807,440 | 737,420 | 86 | -- |
| August | 659,722 | 649,031 | 576,529 | 94 | -- |
| September | 642,879 | 630,524 | 578,402 | 94 | -- |
| October | 839,272 | 831,991 | 568,264 | 99 | -- |
| **1941**—*Week Ended*— | | | | | |
| May 3 | 165,583 | 147,188 | 447,525 | 83 | 80 |
| May 10 | 170,436 | 148,381 | 466,064 | 84 | 80 |
| May 17 | 161,295 | 149,884 | 472,782 | 84 | 80 |
| May 24 | 168,875 | 152,410 | 489,915 | 85 | 81 |
| May 31 | 155,831 | 151,648 | 488,993 | 84 | 81 |
| June 7 | 156,188 | 144,481 | 500,252 | 84 | 81 |
| June 14 | 158,821 | 156,439 | 504,786 | 88 | 81 |
| June 21 | 168,561 | 153,364 | 518,755 | 88 | 82 |
| June 28 | 151,114 | 154,711 | 509,231 | 90 | 82 |
| July 5 | 149,197 | 129,019 | 529,633 | 74 | 82 |
| July 12 | 147,365 | 131,531 | 542,738 | 77 | 82 |
| July 19 | 168,431 | 156,989 | 550,902 | 92 | 81 |
| July 26 | 182,603 | 160,609 | 572,532 | 92 | 82 |
| Aug. 2 | 159,844 | 159,272 | 572,635 | 93 | 83 |
| Aug. 9 | 174,815 | 159,894 | 587,498 | 91 | 83 |
| Aug. 16 | 169,472 | 162,889 | 592,840 | 92 | 83 |
| Aug. 23 | 158,403 | 162,964 | 584,484 | 94 | 83 |
| Aug. 30 | 157,032 | 163,284 | 576,529 | 97 | 84 |
| Sept. 6 | 147,086 | 133,031 | 591,414 | 80 | 84 |
| Sept. 13 | 164,057 | 166,781 | 589,770 | 98 | 84 |
| Sept. 20 | 176,263 | 166,797 | 583,716 | 99 | 84 |
| Sept. 27 | 155,473 | 163,915 | 578,402 | 98 | 85 |
| Oct. 4 | 176,619 | 168,256 | 582,287 | 100 | 85 |
| Oct. 11 | 159,337 | 164,374 | 575,627 | 99 | 85 |
| Oct. 18 | 167,440 | 165,795 | 574,991 | 98 | 86 |
| Oct. 25 | 165,279 | 168,146 | 568,161 | 100 | 86 |
| Nov. 1 | 170,597 | 165,420 | 568,264 | 99 | 86 |
| Nov. 8 | 169,585 | 159,860 | 576,923 | 97 | 86 |

*Note*—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders

## World Prices Steady

General Motors Corp. and Cornell University, which prior to the European war had collaborated in the publication of a world commodity price index, have resumed issuance of international price statistics, but on a different basis than before the war. Instead of a composite index of world prices, these organizations now are publishing the information only as individual country indexes.

The index is built upon 40 basic commodities and the list is the same for each country in so far as possible. Each commodity is weighted uniformly for each country, according to its relative importance in world production. The actual price data are collected weekly by General Motors overseas operations from sources described as "the most responsible agencies available in each country, usually a government department." The commodities involved include "a comprehensive list of several groups, including grains, livestock and livestock products, miscellaneous foods (coffee, cocoa, tea, sugar, &c.), textiles, fuels, metals and a list of other miscellaneous materials (rubber, hides, lumber, newsprint, linseed oil, &c.)." Weights assigned in the index to the different commodity groups are as follows: Grains, 20; livestock and livestock products, 19; vegetable fats and other foods, 9; textiles, 12; fuel, 11; metals, 11; miscellaneous, 18.

The indexes, which are based on prices expressed in the currency of each country, were reported Nov. 17 as follows:

(August, 1939=100)

| | *Argentina* | *Australia* | *Canada* | *England* | *Java* | *Mexico* | *New Zeal'd* | *Sweden* | *Switzerland* | *United States* |
|---|---|---|---|---|---|---|---|---|---|---|
| **1940**— | | | | | | | | | | |
| May | 120 | 118 | 120 | 143 | 116 | 113 | 112 | 131 | 132 | 112 |
| June | 118 | 118 | 120 | 144 | 116 | 113 | 114 | 131 | 136 | 109 |
| July | 118 | 118 | 120 | 145 | 115 | 112 | 114 | 132 | 140 | 109 |
| August | 118 | 119 | 120 | 150 | 115 | 111 | 120 | 132 | 144 | 109 |
| September | 116 | 120 | 121 | 145 | 116 | 110 | 122 | 135 | 153 | 111 |
| October | 113 | 123 | 122 | 145 | 117 | 110 | 120 | 139 | 158 | 114 |
| November | 113 | 125 | 124 | 146 | 118 | 111 | 118 | 142 | 164 | 118 |
| December | 113 | 126 | 126 | 149 | 120 | 111 | 119 | 144 | 168 | 118 |
| **1941**— | | | | | | | | | | |
| January | 114 | 127 | 126 | 150 | r120 | 111 | 119 | 144 | r172 | 120 |
| February | 114 | 126 | 127 | 150 | 121 | 113 | 119 | 147 | 171 | 120 |
| March | 119 | 122 | 129 | 150 | 123 | 114 | 119 | 154 | 176 | 122 |
| April | 121 | 121 | 131 | 150 | 125 | 115 | 119 | 156 | 180 | 125 |
| May | 126 | 120 | 134 | r152 | 129 | 117 | 120 | 156 | 189 | 129 |
| June | 133 | 121 | 137 | 155 | 131 | 119 | 121 | 155 | 193 | 132 |
| July | r135 | r121 | r141 | r156 | r136 | r125 | r122 | r155 | 194 | r136 |
| August | 138 | 121 | r142 | 157 | 138 | 127 | 123 | 156 | 196 | 138 |
| September | r140 | 122 | 145 | r157 | 138 | r130 | r123 | 156 | 202 | 143 |
| October | 140 | 123 | 143 | 159 | 139 | 132 | 126 | 156 | --- | 141 |
| **1941**—<br>Weeks end.: | | | | | | | | | | |
| Oct. 4 | 140 | 122 | 145 | r159 | 138 | 131 | 125 | 156 | *203 | 143 |
| Oct. 11 | 140 | 122 | 144 | r159 | 138 | 132 | 126 | 156 | --- | 142 |
| Oct. 18 | 141 | 123 | 143 | *159 | 139 | 132 | 126 | 156 | --- | 140 |
| Oct. 25 | 141 | 123 | r143 | *159 | 140 | 132 | 126 | 157 | --- | r140 |
| Nov. 1 | 141 | 124 | 142 | *158 | 140 | r135 | 126 | 157 | --- | 140 |
| Nov. 8 | 140 | 124 | 142 | *158 | 140 | *135 | 125 | 157 | --- | 141 |

* Preliminary. r Revised

## Trading On New York Exchanges

The Securities and Exchange Commission made public on Nov. 17 figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Nov. 1, 1941, continuing a series of current figures being published by the Commission. Short sales are shown separately from other sales in these figures, the Commission explained.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Nov. 1 (in round-lot transactions) totaled 494,368 shares, which amount was 14.34% of total transactions on the Exchange of 3,221,260 shares. This compares with member trading during the previous week ended Oct. 25 of 541,075 shares or 15.29% of total trading of 3,447,230 shares. On the New York Curb Exchange, member trading during the week ended Nov. 1 amounted to 124,670 shares, or 14.07% of the total volume on that Exchange of 739,220 shares; during the preceding week trading for the account of Curb members of 94,505 shares was 14.60% of total trading of 586,545 shares.

The Commission made available the following data for the week ended Nov. 1:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

| | N. Y. Stock Exchange | N. Y. Curb Exchange |
|---|---|---|
| Total Number of Reports Received | 1,058 | 769 |
| 1. Reports showing transactions as specialists | 183 | 99 |
| 2. Reports showing other transactions initiated on the floor | 185 | 27 |
| 3. Reports showing other transactions initiated off the floor | 211 | 92 |
| 4. Reports showing no transactions | 578 | 560 |

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

**Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)**

**Week Ended Nov. 1, 1941**

| | Total For Week | |
|---|---|---|
| A. Total Round-Lot Sales | | |
| Short sales | 81,820 | |
| Other sales b | 3,139,440 | |
| Total sales | 3,221,260 | |
| B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists | | |
| 1. Transactions of specialists in stocks in which they are registered | | |
| Total purchases | 214,590 | |
| Short sales | 43,000 | |
| Other sales b | 181,630 | |
| Total sales | 224,630 | 6.82 |
| 2. Other transactions initiated on the floor | | |
| Total purchases | 118,980 | |
| Short sales | 20,300 | |
| Other sales b | 142,310 | |
| Total sales | 162,610 | 4.37 |
| 3. Other transactions initiated off the floor | | |
| Total purchases | 95,900 | |
| Short sales | 3,980 | |
| Other sales b | 103,148 | |
| Total sales | 107,128 | 3.15 |
| 4. Total | | |
| Total purchases | 429,470 | |
| Short sales | 67,280 | |
| Other sales b | 427,088 | |
| Total sales | 494,368 | 14.34 |

**Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)**

**Week Ended Nov. 1, 1941**

| | Total For Week | Per Cent a |
|---|---|---|
| A. Total Round-Lot Sales | | |
| Short sales | 9,775 | |
| Other sales b | 729,445 | |
| Total sales | 739,220 | |
| B. Round-Lot Transactions for the Account of Members | | |
| 1. Transactions of specialists in stocks in which they are registered | | |
| Total purchases | 47,985 | |
| Short sales | 6,035 | |
| Other sales b | 78,480 | |
| Total sales | 84,515 | 8.96 |
| 2. Other transactions initiated on the floor | | |
| Total purchases | 14,100 | |
| Short sales | 1,800 | |
| Other sales b | 11,755 | |
| Total sales | 13,555 | 1.87 |
| 3. Other transactions initiated off the floor | | |
| Total purchases | 21,340 | |
| Short sales | 300 | |
| Other sales b | 26,300 | |
| Total sales | 26,600 | 3.24 |
| 4. Total | | |
| Total purchases | 83,425 | |
| Short sales | 8,135 | |
| Other sales b | 116,535 | |
| Total sales | 124,670 | 14.07 |
| C. Odd-Lot Transactions for the Account of Specialists | | |
| Customers' short sales | 0 | |
| Customers' other sales c | 47,881 | |
| Total purchases | 47,881 | |
| Total sales | 24,447 | |

* The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

a Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

b Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

c Sales marked "short exempt" are included with "other sales."

## U. S., Canada Set Up Coordination Board

The White House at Washington announced on Nov. 5 that President Roosevelt and Prime Minister Mackenzie King of Canada have set up a Joint Defense Production Committee, composed of 12 members, to coordinate the capacities of the two countries for the production of defense material. This action puts into effect a recommendation of the Joint Economic Committee of Canada and the United States. The announcement of the creation of the Joint Production Committee of 12 followed conversations held at the President's Hyde Park (N. Y.) home on Nov. 1 and 2 between the President and the Prime Minister. Regarding the recommendation of the Joint Economic Committee, the White House announcement of Nov. 5 stated:

> The Resolution of the Joint Economic Committee, in accordance with which the Joint Defense Production Committee has been established, is as follows:
>
> Whereas: (a) At Hyde Park on April 20, 1941, the Prime Minister of Canada and the President of the United States agreed "as a general principle that in mobilizing the resources of this continent, each country should provide the other with the defense articles which it is best able to produce, and above all, produce quickly, and that production programs should be coordinated to this end;" and
>
> (b) The two Governments have established joint bodies in the field of military strategy (the Permanent Joint Board on Defense), in the field of primary materials (the Joint Materials Coordinating Committee), and in the field of general economic relations (the Joint Economic Committees); but
>
> (c) No machinery has been established for the specific purpose of most effectively coordinating capacities of the two countries for the production of defense material;
>
> Therefore, The Joint Economic Committees
>
> Recommend: (1) That the Governments of Canada and of the United States establish a joint committee on defense production to survey the capacity and potential capacity for the production of defense material in each country to the end that in mobilizing the resources of the two countries each country should provide for the common defense effort the defense articles which it is best able to produce, taking into consideration the desirability of so arranging production for defense purposes as to minimize, as far as possible and consistent with the maximum defense effort, maladjustments in the post-defense period;
>
> (2) That the said joint committee be directed to report from time to time to the Prime Minister of Canada and to the President of the United States, with such recommendations as are found to be necessary to secure the purposes set forth above, as well as reports on progress made under their recommendations.
>
> (3) That the said joint committee be furnished with such studies as have already been initiated in this field by the Joint Economic Committees and the Joint Materials Coordinating Committee; that the said joint committee be directed currently to furnish to the Joint Economic Committee copies of its surveys, findings and recommendations and reports, and to take appropriate steps to insure a continuing liaison between its secretariat and members and the secretariat and members of the Joint Economic Committees

and that the said joint committee be invited to consult with the Joint Economic Committees through joint meetings or otherwise, as occasion may indicate to be desirable, particularly with regard to the objective of minimizing post-defense economic maladjustments.

Signed:
(W. A. Mackintosh)
Canadian Chairman.
(Alvin H. Hansen)
U. S. Chairman.

Date: Sept. 19, 1941.

Those comprising the newly created Joint Production Committee appointed by the President and the Prime Minister respectively are:

**American Members**

Milo Perkins, Executive Director, Economic Defense Board, Chairman; J. V. Forrestal, Under Secretary of the Navy; W. H. Harrison, Director, Production Division, Office of Production Management; R. P. Patterson, Under Secretary of War; E. R. Stettinius, Jr., Administrator, Office of Lend-Lease Administration; H. L. Vickery, Vice-Chairman, United States Maritime Commission.

**Canadian Members**

G. K. Sheils, Deputy Minister, Department of Munitions and Supply, Chairman; J. R. Donald, Director General, Chemicals & Explosives Branch, Department of Munitions and Supply; H. J. Carmichael, Director General, Munitions Production Branch, Department of Munitions and Supply; R. P. Bell, Director General, Aircraft Production Branch, Department of Munitions and Supply; H. R. MacMillan, President, War-Time Merchant Shipping, Ltd.; Walter Gordon, Department of Finance.

The program of coordinating defense production facilities, agreed upon at Hyde Park by President Roosevelt and Prime Minister Mackenzie King on April 20 last, was referred to in our April 26 issue, page 2634.

## Blue Food Stamps Add Farm Products To Diets

Blue food stamps added $9,637,000 worth of farm products to the diets of more than 3,598,000 persons eligible to receive public assistance during the month of September, the Department of Agriculture announced on Nov. 11 in its monthly report on the Food Stamp Program. During September, says the Department, families taking part in the Food Stamp Program used blue stamps, which increased their expenditures for agricultural products approximately 50%, as follows: about 21% for eggs, 26% for flour and other cereals, 30% for vegetables and potatoes, and 23% for fruits. The Department's announcement further said:

> Purchases with blue stamps, representing new outlets for farm commodities, as estimated by the Surplus Marketing Administration, included about 5,500,000 dozen eggs, nearly 51,000,000 pounds of white and graham flour and about 16,000,000 pounds of other cereals; and over 82,000,000 pounds of vegetables and potatoes.
>
> Other blue stamp purchasers during the month included over 2,400,000 dozens of fresh oranges; nearly 10,000,000 pounds of fresh peaches; 1,500,000 pounds of raisins and 1,800,000 pounds of dried prunes.
>
> In addition to purchases of commodities with blue stamps, the Surplus Marketing Administration continued in September to distribute farm products for use in free school lunches, and to needy families in areas not served by the Food Stamp Program.

## Market Value Of Stocks On New York Stock Exchange Declined In October

The New York Stock Exchange announced on Nov. 6 that as of the close of business Oct. 31, 1941, there were 1,236 stock issues aggregating 1,465,181,804 shares listed on the New York Stock Exchange, with a total market value of $39,057,023,174. This compares with 1,236 stock issues, aggregating 1,462,257,934 shares listed on the Exchange Sept. 30, 1941, with a total market value of $40,984,419,434 and with 1,230 stock issues aggregating 1,452,542,070 shares listed on the Exchange Oct. 31, 1940, with a total market value of $42,673,890,518.

As of the close of business Oct. 31, 1941, New York Stock Exchange member total net borrowings amounted to $444,162,810. The ratio of these member borrowings to the market value of all listed stocks on that date was, therefore, 1.14%. As the above figure includes all types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value.

In the following table listed stocks are classified by leading industrial groups with the aggregate market value and average price for each:

| Group— | Oct. 31, 1941 Market Value $ | Oct. 31, 1941 Average Price $ | Sept. 30, 1941 Market Value $ | Sept. 30, 1941 Average Price $ |
|---|---|---|---|---|
| Amusement | 287,909,692 | 13.45 | 295,179,915 | 13.79 |
| Automobile | 2,855,738,823 | 23.77 | 3,087,433,225 | 25.69 |
| Aviation | 577,384,573 | 17.83 | 611,526,158 | 19.27 |
| Building | 413,613,551 | 19.04 | 464,802,047 | 21.37 |
| Business and office equipment | 279,977,422 | 23.93 | 286,994,304 | 24.53 |
| Chemical | 5,370,174,717 | 56.73 | 5.681,370,506 | 60.14 |
| Electrical equipment | 1,199,278,039 | 30.08 | 1,328,915,957 | 33.64 |
| Farm machinery | 579,496,376 | 44.21 | 617,091,242 | 47,08 |
| Financial | 758,111,694 | 14.76 | 794,220,120 | 15.44 |
| Food | 2,596,867,532 | 27.68 | 2,703,444,865 | 28.82 |
| Garment | 42,272,407 | 25.23 | 41,892,553 | 25.00 |
| Land and realty | 14,999,125 | 3.08 | 15,757,076 | 3,24 |
| Leather | 186,998,544 | 22.30 | 195,539,869 | 23.32 |
| Machinery and metals | 1,365,853,207 | 20.22 | 1,453,803,685 | 21.53 |
| Mining (excluding iron) | 1,387,438,750 | 23.47 | 1,461,344,348 | 24.72 |
| Paper and publishing | 389,968,477 | 17.62 | 412,452,636 | 18.64 |
| Petroleum | 4,353,174,713 | 22.64 | 4,263,618,148 | 22.18 |
| Railroad | 2,880,718,589 | 25.87 | 2,961,429,641 | 26.86 |
| Retail merchandising | 2,141,987,481 | 29.21 | 2,236,833,086 | 30.54 |
| Rubber | 348,320,613 | 32.89 | 361,262,670 | 34.09 |
| Ship building and operating | 100,280,889 | 23.40 | 101,790,112 | 23.75 |
| Shipping Services | 9,381,330 | 5.11 | 9,663,481 | 5.26 |
| Steel, iron and coke | 2,103,306,810 | 41.39 | 2,211,295,419 | 43.51 |
| Textiles | 322,104,563 | 23.69 | 335,537,426 | 24.68 |
| Tobacco | 1,203,718,652 | 45.02 | 1,368,635,184 | 51.19 |
| Utilities: | | | | |
| Gas and electric (operating) | 1,782,526,330 | 19.29 | 1,909,458,973 | 20.67 |
| Gas and electric (holding) | 857,354,709 | 8.95 | 942,425,125 | 9,84 |
| Communications | 3,279,643,860 | 79.67 | 3,371,328,764 | 81.90 |
| Miscellaneous | 78,598,414 | 10.01 | 84,164,008 | 10.72 |
| U. S. companies operating abroad | 477,871,174 | 14.51 | 508,121,460 | 15.43 |
| Foreign companies | 698,226,976 | 17.25 | 750,803,270 | 18.55 |
| Miscellaneous businesses | 113,725,142 | 19.37 | 116,284,161 | 19.81 |
| All listed stocks | 39,057,023,174 | 26.66 | 40,984,419,434 | 28.02 |

**We give below a two-year compilation of the total market value and the average price of stocks listed on the Exchange:**

| | Market Value | Average Price | | Market Value | Average Price |
|---|---|---|---|---|---|
| 1939— | | | 1940— | | |
| July 31 | $44,751,599,352 | 31.31 | Sept. 30 | $41,491,698,705 | $28.56 |
| Aug. 31 | 41,652,664,710 | 29.12 | Oct. 31 | 42,673,890,518 | 29.38 |
| Sept. 30 | 47,440,476,682 | 33.15 | Nov. 30 | 41,848,246,961 | 28.72 |
| Oct. 31 | 47,373,972,773 | 33.11 | Dec. 31 | 41,890,646,959 | 28.80 |
| Nov. 30 | 45,505,228,611 | 31.79 | 1941— | | |
| Dec. 30 | 46,467,616,372 | 32.37 | Jan. 31 | 40,279,504,457 | 27.68 |
| 1940— | | | Feb. 28 | 39,398,228,749 | 27.08 |
| Jan. 31 | 45,636,655,548 | 31.68 | Mar. 31 | 39,696,269,155 | 27.24 |
| Feb. 29 | 46,058,132,499 | 31.96 | Apr. 30 | 37,710,958,708 | 25.78 |
| Mar. 30 | 46,694,763,118 | 32.34 | May 31 | 37,815,306,034 | 25.84 |
| Apr. 30 | 46,769,244,271 | 32.35 | June 30 | 39,607,836,569 | 27.07 |
| May 31 | 36,546,583,208 | 25.26 | July 31 | 41,654,256,215 | 28.46 |
| June 29 | 38,775,241,138 | 26.74 | Aug. 30 | 41,472,032,904 | 28.32 |
| July 31 | 39,991,865,997 | 27.51 | Sept. 30 | 40.984,419,434 | 28.02 |
| Aug. 31 | 40,706,241,811 | 28.00 | Oct. 31 | 39,057,023,174 | 26.66 |

## September Hotel Sales Up

In its monthly report on the trend of business in hotels, Horwath & Horwath, New York hotel accountants, state that the September increases over the corresponding month of last year exceeded the average gains for the year to date, and as usual those for food and beverages were a little more than those for rooms. For the second month in succession, the average room rate was up 5% and the occupancy at 69% is the highest for the month of September since 1929. The firm's bulletin goes on to say:

> Notwithstanding these fairly good improvements for the country in general, some of the important cities and sections did not make very favorable comparisons with last year. New York City feels the absence of the World's Fair business this year, and Cleveland had no such heavy convention business as in last September. Detroit had a higher average occupancy than a year ago, but a lower average rate and consequently its increase in room sales was only 1%.
>
> San Francisco reported a decrease in room sales from September, 1940, and about the same amount of restaurant business, but Los Angeles and the rest of the Pacific Coast had large increases, as did also Philadelphia, Washington and Texas. For Philadelphia the improvement in room sales was the result of higher occupancy and not better rates.
>
> The group, "All Others," had an 8% increase in rates, which is especially encouraging as these hotels are scattered all over the country outside of the large cities.

SEPTEMBER, 1941, COMPARED WITH SEPTEMBER, 1940

| | Sales, Increase or Decrease *Total | Rooms | Total Restaurant | Food | Beverages | Occupancy Sept., 1941 | Occupancy Sept., 1940 | †Room Rate Increase or Decr. |
|---|---|---|---|---|---|---|---|---|
| New York City | — 1% | — 5% | + 7% | + 5% | +11% | 72% | 75% | — 1% |
| Chicago | + 7 | +13 | +12 | +12 | +11 | 71 | 66 | + 5 |
| Philadelphia | +20 | +16 | +25 | +24 | +26 | 60 | 52 | 0 |
| Washington | +19 | +14 | +25 | +20 | +32 | 82 | 77 | + 7 |
| Cleveland | — 4 | — 3 | — 6 | — 5 | —11 | 73 | 75 | — 1 |
| Detroit | 0 | + 1 | — 1 | — 5 | + 4 | 75 | 73 | — 2 |
| Pacific Coast | +14 | + 8 | +20 | +18 | +23 | 69 | 64 | 0 |
| Texas | +12 | +11 | +13 | +13 | +14 | 65 | 60 | + 4 |
| All others | +13 | +12 | +13 | +14 | +11 | 68 | 66 | + 8 |
| Total | +11% | + 9% | +13% | +13% | +13% | 69% | 67% | + 5% |
| Year to date | + 9% | + 7% | +10% | +10% | +11% | 68% | 65% | + 2% |

†The term "rates" wherever used refers to the average sales per occupied room and not to scheduled rates. *Rooms and restaurant only.

## Value Of Bonds On N. Y. Stock Exchange

As of the close of business Oct. 31, 1941, there were 1,274 bond issues aggregating $57,855,667,727 par value listed on the New York Stock Exchange with a total market value of $55,106,635,894, the Stock Exchange announced on Nov. 7. This compares with 1,275 bond issues aggregating $56,386,500,477 par value listed on the Exchange on Sept. 30, 1941, with a total market value of $53,418,055,935.

In the following tables listed bonds are classified by governmental and industrial groups with the aggregate market value and average price for each:

| Group— | Oct. 31, 1941 Market Value $ | Oct. 31, 1941 Average Price $ | Sept. 30, 1941 Market Value $ | Sept. 30, 1941 Average Price $ |
|---|---|---|---|---|
| U. S. Government (incl. States, Cities, etc.) | 39,753,699,340 | 108.59 | 38,013,285,841 | 108.55 |
| U. S. companies: | | | | |
| Amusemuets | 45,203,578 | 99.27 | 42,122,224 | 99.14 |
| Automobile | 14,133,762 | 104.34 | 14,151,082 | 104,34 |
| Building | 21,521,402 | 93.72 | 20,648,976 | 89.76 |
| Business and office equipment | 15,337,500 | 102.25 | 15,300,000 | 102.00 |
| Chemical | 75,798,250 | 98.57 | 74,860,125 | 97.35 |
| Electrical equipment | 16,125,000 | 107.50 | 16,143,750 | 107.63 |
| Financial | 50,358,763 | 102.70 | 50,340,061 | 102.66 |
| Food | 211,295,637 | 105.27 | 211,731,644 | 105.48 |
| Land and realty | 9,376,438 | 65.48 | 9,540,824 | 66.63 |
| Machinery and metals | 49,864,845 | 99.88 | 50,222,758 | 100.19 |
| Mining (excluding iron) | 91,030,506 | 56.34 | 92,668,570 | 57.01 |
| Paper and publishing | 59,721,127 | 101.08 | 60,165,292 | 101.83 |
| Petroleum | 598,076,993 | 104.44 | 597,631,987 | 104.31 |
| Railroad | 6,453,056,399 | 61.65 | 6,423,318,544 | 61.21 |
| Retail merchandising | 11,926,703 | 77.62 | 12,261,687 | 79.80 |
| Rubber | 75,086,781 | 101.24 | 74,616,988 | 100.61 |
| Ship building and operating | 23,170,418 | 101.00 | 21,163,305 | 92.25 |
| Shipping services | 17,415,376 | 62.66 | 17,486,600 | 62.92 |
| Steel, iron and coke | 568,150,661 | 101.87 | 566,968,372 | 101.56 |
| Textiles | 26,642,060 | 100.36 | 26,673,970 | 100.48 |
| Tobacco | 41,194,740 | 122.34 | 41,079,236 | 122.00 |
| Utilities: | | | | |
| Gas and electric (operating) | 3,192,560,678 | 108.63 | 3,187 440.942 | 108.45 |
| Gas and electric (holding) | 117,073,125 | 105.47 | 117,454,375 | 105.81 |
| Communications | 1,231,990,072 | 109.79 | 1,312,810,275 | 108.91 |
| Miscellaneous utilities | 81,696,082 | 55.26 | 81,916,256 | 55.41 |
| U. S. companies oper. abroad | 100,240,374 | 52.42 | 102,916.082 | 53.79 |
| Miscellaneous businesses | 32,261,250 | 105.77 | 32,413,750 | 106.27 |
| Total U. S. companies | 13,230,308,520 | 77.54 | 13,274,047,675 | 77.30 |
| Foreign government | 1,344,633,609 | 46.59 | 1,349,557,409 | 46.57 |
| Foreign companies | 777,994,425 | 60.01 | 781,165,010 | 60.24 |
| All listed bonds | 55,106,635,894 | 95.25 | 53,418,055,935 | 94.74 |

The following table, compiled by us, gives a two-year comparison of the total market value and the total average price of bonds listed on the Exchange:

| 1939— | Market Value | Average Price | 1940— | Market Value | Average Price |
|---|---|---|---|---|---|
| Sept. 30 | $46,430,860,982 | $88.50 | Oct. 31 | $50,438,409,964 | $92.84 |
| Oct. 31 | 47,621,245,885 | 90.79 | Nov. 30 | 50,755,887,399 | 93.58 |
| Nov. 30 | 47,839,377,778 | 91.24 | Dec. 31 | 50,831,283,315 | 93.84 |
| Dec. 30 | 49,919,813,386 | 92.33 | 1941— | | |
| 1940— | | | Jan. 31 | 50,374,446,095 | 93.05 |
| Jan. 31 | 49,678,905,641 | 92.02 | Feb. 28 | 50,277,456,796 | 92.72 |
| Feb. 29 | 49,605,261,998 | 91.97 | Mar. 31 | 52,252,053,607 | 93.73 |
| Mar. 30 | 50,006,387,149 | 92.86 | April 30 | 52,518,036,554 | 94.32 |
| April 30 | 49,611,937,544 | 92.48 | May 30 | 52,321,710,056 | 94.22 |
| May 31 | 46,936,861,020 | 87.87 | June 30 | 53,237,234,699 | 94.80 |
| June 29 | 47,665,777,410 | 90.14 | July 31 | 53,259,696,637 | 95.04 |
| July 31 | 48,601,638,211 | 90.96 | Aug. 30 | 53,216,867,646 | 94.86 |
| Aug. 31 | 49,238,728.732 | 91.33 | Sept. 30 | 53,418,055,935 | 94.74 |
| Sept. 30 | 49,643,200,867 | 92.08 | Oct. 31 | 55,106,635,894 | 95.25 |

## Fertilizer Ass'n Index Fractionally Lower

The general level of wholesale commodity prices was fractionally lower last week, according to the price index compiled by The National Fertilizer Association. In the week ended Nov. 15, 1941 this index was 116.4 compared with 116.5 in the preceding week. A month ago it was 116.8 and a year ago 98.8, based on the 1935-39 average as 100. An announcement of the Fertilizer Ass'n, issued Nov. 17, continued:

> The dip in the all-commodity index was due principally to moderate decreases in farm product and foodstuff prices. Lower quotations for corn meal, bananas, meats, and edible vegetable oils were responsible for a drop in the food price index. Although cotton was higher last week, declines in grains and livestock were sufficient to cause a decrease in the farm product average. The building material index was slightly lower. A recession in the chemical and drug price index was the result of a downturn in the price of glycerine. Cotton and wool prices were higher causing an increase in the textile index. The fuel price index was at the highest point reached since 1929, the result of increases in gasoline and kerosene. Higher cattle feed and cottonseed meal quotations were responsible for an upturn in the miscellaneous commodity price index. The fertilizer material index also moved upward last week.
>
> During the week price changes were nearly evenly balanced, with 23 price series included in the index declining and 22 advancing; in the preceding week there were 9 declines and 26 advances; in the second preceding week there were 21 declines and 20 advances.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
1935-1939=100*

| % Each Group Bears to the Total Index | GROUP | Latest Week Nov. 15, 1941 | Preceeding Week Nov. 8, 1941 | Month Ago Oct. 11, 1941 | Year Ago Nov. 16, 1940 |
|---|---|---|---|---|---|
| 25.3 | Foods | 113.0 | 113,5 | 113,4 | 91.1 |
| | Fats and Oils | 122.3 | 122.7 | 127.0 | 67.7 |
| | Cottonseed Oil | 141.9 | 143.6 | 154.4 | 66.1 |
| 23.0 | Farm Products | 115.8 | 116.4 | 116.4 | 88.6 |
| | Cotton | 155.5 | 153.8 | 157.6 | 89.6 |
| | Grains | 106.7 | 107.7 | 105.5 | 87.9 |
| | Livestock | 109.3 | 110.5 | 110.8 | 86.8 |
| 17.3 | Fuels | 113.3 | 112.3 | 112.3 | 101.5 |
| 10.8 | Miscellaneous Commodities | 126.3 | 126.0 | 127.2 | 111.2 |
| 8.2 | Textiles | 138.9 | 138.6 | 138.3 | 108.6 |
| 7.1 | Metals | 104.0 | 104.0 | 103.5 | 103.4 |
| 6.1 | Building Materials | 131.1 | 131.3 | 131,0 | 119.2 |
| 1.3 | Chemicals and Drugs | 112.0 | 112.3 | 111.9 | 103.5 |
| .3 | Fertilizer Materials | 114.9 | 114.6 | 114.4 | 104,6 |
| .3 | Fertilizers | 107.5 | 107.5 | 107.1 | 103.0 |
| .3 | Farm Machinery | 100.2 | 100.2 | 99.7 | 99.6 |
| 100.0 | All Groups Combined | 116.4 | 116.5 | 116.8 | 98.8 |

*Base period changed Jan. 4 from 1926-1928 average to 1935-1939 average as 100. Indexes on 1926-1928 base were: Nov. 15, 1941, 90.7; Nov. 8, 1941, 90.8; Nov. 16, 1940, 77.0.

# Steel Production Threatened By CIO Coal Strike—To Reallocate Freight And Tank Car Plates

A new sufferer from a defense strike—the civilian steel consumer, the man in the street—for the first time finds himself on the receiving end of John L. Lewis' blows for a universal closed shop—a system under which every man, to hold a job, must belong to a union, according to the "Iron Age" of Nov. 20, which adds: "Defense plants, because of the importance of keeping them operating at full capacity, are certain to get the necessary steel as long as there is any left to ship. It is the civilian product plant, consuming steel, which will be the first to be hit if the coal strike continues. For the first time, Mr. Lewis seemed to be ready in the name of the closed shop to shut off material needed for the already diminishing flow of refrigerators, stoves, washing machines and other peacetime products to the public." This publication further went on to say:

Observers recalled that work stoppages and slowdowns in the steel industry, prior to the coal strike, had already caused a loss in steel production estimated at 700,000 tons, a loss which will be a burden on civilian steel consumers for all of 1941 and beyond. How quickly this total will increase if the coal strike continues may be judged by the fact that the Clairton, Pa. works of Carnegie-Illinois Steel Corp.—"bottleneck" plant on which operations of most U. S. Steel Corp. steel plants in the Pittsburgh area depend—has little more than six days' supply of coal.

Since earlier shutdowns have reduced the steel industry's supplies of coal, coke, pig iron, scrap and semi-finished steel, the gravity of the Lewis threat to the entire defense program seems hard to exaggerate.

While the CIO strike threatened the entire output of steel, other difficulties continued to beset steel consumers despite slow progress already made in streamlining the priorities system.

One of the industry's experts on mill operation told the "Iron Age" that "only about 60% of the potentially available plate capacity in the country is now being used because of the inefficient allocation of plate orders by Washington." Of all the claims made about defense agency mismanagement, this is one of the most serious, since plates have long been one of the scarcest of steel items. Plate allocation has been presented as a successful system which could well be applied, at the proper time, to all steel items and to other materials. Demands that mills stop rolling sheets and strip for the automotive industry and after conversion be used to roll vitally needed plates, have figured in the plate situation in recent months.

A move has been started to bring about a complete reallocation of freight and tank car plates so that the mills will go on all-out production for Navy, Maritime Commission and Lend-Lease use. Pressure may be exerted to bring Navy and Maritime Commission plate specification closer to commercial practice so that output can be increased.

This week brought to light an interesting steel industry backlog analysis which shows 60.3% of all steel orders for November delivery are for direct and indirect defense needs. October delivery orders showed 58.6% for defense, while steel orders for delivery after Dec. 1 for steel companies with 94% of the industry's capacity are 57.4% for defense and total 11,207,171 net tons. A chart in the current issue of the "Iron Age" shows that the defense program (for November delivery) is taking steel ranking, by products, from a high point of 100% for armor plate and forgings to a low of 11.4% for tin and terne plate. Of the plates for November delivery, 91%, or 465,436 tons, were for defense.

Meanwhile, steel ingot production, as the week began, (before the coal strike had any direct effect) stood at 97.5%, unchanged from last week, according to the "Iron Age" estimate. Continued efforts of OPM in shifting scrap tonnage is permitting several producers who have no inventory to squeeze through from day-to-day on a full schedule. Prior to the coal strike the Pittsburgh district reported steel operations up a point from a week ago to 100%; Youngstown, unchanged at 96%; Philadelphia unchanged at 90%; Cleveland up one point to 99%; Buffalo off 2.5 to 90%; Wheeling unchanged at 94%; Birmingham unchanged at 95.5%; Detroit down 8 to 101%; Southern Ohio River up 4 to 101%; Western unchanged at 96%; St. Louis unchanged at 111% and Eastern down 2 to 107%. The big Chicago district was down a point to 101%.

Structural steel awards for the week dropped to 13,950 tons from 44,450 tons last week. New structural projects of 16,700 tons are slightly lower than a week ago and include 2,900 tons for the Boston Navy Yard, 2,850 tons for an airplane repair shop at Hill Field, Utah, and 1,200 tons at Westerly, R. I. for a power house.

Reinforcing steel awards total only 2,825 tons, while new projects of 21,550 tons include 8,000 tons for a shell-loading plant at Wahoo, Neb., 5,400 tons for the South Boston Navy Yard, and 3,000 tons at Hinton, W. Va. for the Blue Stone reservoir.

THE "IRON AGE" COMPOSITE PRICES

**Finished Steel**

Nov. 18, 1941, 2.30467c. a Lb.

| | |
|---|---|
| One week ago | 2.30467c. |
| One month ago | 2.30467c. |
| One year ago | 2.30467c. |

A weighted index based on steel bars, beams, tank plates, wire, rails, black pipe, hot and cold-rolled sheets and strip. These products represent 78% of the United States output.

| | High | | Low | |
|---|---|---|---|---|
| 1941 | 2.30467c. | Sep 2 | 2.30467c. | Sep 2 |
| 1940 | 2.30467c. | Jan 2 | 2.24107c. | Apr 16 |
| 1939 | 2.35367c. | Jan 3 | 2.26689c. | May 16 |
| 1938 | 2.58414c. | Jan 4 | 2.27207c. | Oct 18 |
| 1937 | 2.58414c. | Mar 9 | 2.32263c. | Jan 4 |
| 1936 | 2.32263c. | Dec 28 | 2.05200c. | Mar 10 |
| 1935 | 2.07642c. | Oct 1 | 2.06492c. | Jan 8 |
| 1934 | 2.15367c. | Apr 24 | 1.95757c. | Jan 2 |
| 1933 | 1.95578c. | Oct 3 | [illegible] | May [illegible] |
| 1932 | 1.89196c. | Jly 5 | 1.83901c. | Mar 1 |
| 1931 | 1.99629c. | Jan 13 | 1.86586c. | Dec 29 |
| 1930 | 2.25488c. | Jan 7 | 1.97319c. | Dec 9 |
| 1929 | 2.31773c. | May 28 | 2.26498c. | Oct 29 |

**Pig Iron**

Nov. 18, 1941, $23.61 a Gross Ton

| | |
|---|---|
| One week ago | $23.61 |
| One month ago | 23.61 |
| One year ago | 22.61 |

Based on averages for basic iron at Valley furnaces and foundry iron at Chicago, Philadelphia, Buffalo, Valley and Southern iron at Cincinnati.

| | High | | Low | |
|---|---|---|---|---|
| 1941 | $23.61 | Mar 20 | $23.45 | Jan 2 |
| 1940 | 23.45 | [illegible] | [illegible] | [illegible] |
| 1939 | $22.61 | Sep 19 | $20.61 | Sep 12 |
| 1938 | 23.25 | Jun 21 | 19.61 | Jly 6 |
| 1937 | 23.25 | Mar 9 | 20.25 | Feb 16 |
| 1936 | 19.74 | Nov 24 | 18.73 | Aug 17 |
| 1935 | 18.84 | Nov 5 | 17.83 | May 14 |
| 1934 | 17.90 | May 1 | 16.90 | Jan 27 |
| 1933 | 16.90 | Dec 5 | 13.56 | Jan 3 |
| 1932 | 14.81 | Jan 5 | 13.56 | Dec 6 |
| 1931 | 15.90 | Jan 6 | 14.79 | Dec 15 |
| 1930 | 18.21 | Jan 7 | 15.90 | Dec 16 |
| 1929 | 18.71 | May 14 | 18.21 | Dec 17 |

**Steel Scrap**

Nov. 18, 1941, $19.17 a Gross Ton

| | |
|---|---|
| One week ago | $19.17 |
| One month ago | 19.17 |
| One year ago | 20.92 |

Based on No. 1 heavy melting steel scrap quotations to consumers at Pittsburgh, Philadelphia, and Chicago.

| | High | | Low | |
|---|---|---|---|---|
| 1941 | $22.00 | Jan 7 | $19.17 | Apr 10 |
| 1940 | 21.83 | Dec 30 | 16.04 | Apr 9 |
| 1939 | 22.50 | Oct 3 | 14.08 | May 16 |
| 1938 | 15.00 | Nov 22 | 11.00 | Jun 7 |
| 1937 | 21.92 | Mar 30 | 12.92 | Nov 10 |
| 1936 | 17.75 | Dec 21 | 12.67 | Jun 9 |
| 1935 | 13.42 | Dec 10 | 10.33 | Apr 29 |
| 1934 | 13.00 | Mar 13 | 9.50 | Sep 25 |
| 1933 | 12.25 | Aug 8 | 6.75 | Jan 3 |
| 1932 | 8.50 | Jan 12 | 6.43 | Jly 5 |
| 1931 | 11.33 | Jan 6 | 8.50 | Dec 29 |
| 1930 | 15.00 | Feb 18 | 11.25 | Dec 9 |
| 1929 | 17.58 | Jan 29 | 14.08 | Dec [illegible] |

The American Iron and Steel Institute on Nov. 17 announced that telegraphic reports which it had received indicated that operating rate of steel companies having 91% of the steel capacity of the industry will be 97.0% of capacity for the week beginning Nov. 17, compared with 96.6% one week ago, 97.8% one month ago and 96.3% one year ago. This represents a decrease of 0.4 points or 0.4%, from the preceding week. Weekly indicated rates of steel operations since Nov. 4, 1940, follow:

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1940— | | Jan 20 | 96.5% | May 5 | 96.8% | Aug 18 | 96.2% |
| Nov 4 | 96.0% | Jan 27 | 97.1% | May 12 | 99.2% | Aug 25 | 96.5% |
| Nov 11 | 96.1% | Feb 3 | 96.9% | May 19 | 99.9% | Sep 2 | 96.3% |
| Nov 18 | 96.6% | Feb 10 | 97.1% | May 26 | 98.6% | Sep 8 | 96.9% |
| Nov 25 | 96.6% | Feb 17 | 94.6% | Jun 2 | 99.2% | Sep 15 | 96.1% |
| Dec 2 | 96.9% | Feb 24 | 96.3% | Jun 9 | 98.6% | Sep 22 | 96.8% |
| Dec 9 | 96.0% | Mar 3 | 97.5% | Jun 16 | 99.0% | Sep 29 | 96.9% |
| Dec 16 | 96.8% | Mar 10 | 98.8% | Jun 23 | 99.9% | Oct 6 | 98.1% |
| Dec 23 | 80.8% | Mar 17 | 99.4% | Jun 30 | 91.8% | Oct 13 | 98.4% |
| Dec 30 | 95.9% | Mar 24 | 99.8% | Jly 7 | 94.9% | Oct 20 | 97.8% |
| 1941— | | Mar 31 | 99.2% | Jly 14 | 95.2% | Oct 27 | 99.9% |
| Jan 6 | 97.2% | Apr 7 | 99.3% | Jly 21 | 96.0% | Nov 3 | 98.2% |
| Jan 13 | 98.5% | Apr 14 | 98.3% | Jly 28 | 97.6% | Nov 10 | 96.6% |
| | | Apr 21 | 96.0% | Aug 4 | 96.3% | Nov 17 | 97.0% |
| | | Apr 28 | 94.3% | Aug 11 | 95.6% | | |

"Steel" of Cleveland, in its summary of the iron and steel markets, on Nov. 17, stated:

Increasing proportion of steel inquiries carrying high preference rating is an indication of the spread of defense work among smaller manufacturers. Subcontracting is engaging a larger segment of industry in work for national defense.

This is a heartening sign as the larger the number of steel fabricators engaged in essential work the sounder the business situation and the fewer the shutdowns. Efforts of the Government to spread work widely are being exerted to obtain quicker delivery of completed parts and to offer employment to as many as possible in all branches of industry. Such division of production tends to eliminate choke points and give better flow of parts to plants engaged in assembling complete units of armament.

Steel allocation is coming nearer as top priorities increase to the extent that some central authority is needed to sort out most pressing orders for first attention. Under present conditions steelmakers can not determine which of numerous orders bearing highest priority should be rolled and shipped first. Probably allocation will be applied gradually to various products as need arises. Plates already are practically on this basis without formal notice and other products are approaching a point where the whole picture must be seen to indicate most pressing need and decide the sequence in which steel should be produced and shipped. Success in pig iron distribution indicates what may be done in allocating steel, though the latter will be a much more complicated process.

Heavy tonnages of shell rounds are about to be allocated to supply government munitions plants coming into production. These will be rolled on rail and structural mills and will tend to reduce deliveries of regular products of these mills. Railroads have been asked to hold rail orders to a minimum consistent with safety. Most current rail business is for tracks in connection with defense munition plants. The Government is also buying a number of locomotives to serve inside these plants.

Freight car builders are receiving larger supply of steel, mainly plates, and are operating at a better rate, though not yet at full capacity. Several roads have large programs of carbuilding in their own shops and are doing much repair work to add to available rolling stock.

Necessity for further curtailment in steel production because of scrap shortage is more imminent as the supply fails to increase and steel output is kept at a high rate. In some areas current supply is not over 10 days and in others only 30 to 60 days under present conditions. Some diversion of scrap from one consuming district to another is being ordered in an effort to keep all plants going as long as possible. Open hearths already down remain idle as no additional scrap supply appears. Additional pig iron production makes up for some of the shortage but can not fill the gap to more than a slight degree. Flow of remote scrap has subsided after a spurt and little is now being received.

Steelworks operations are feeling the effect of scanty scrap supplies and the national rate last week receded ½-point to 97% as a result, with indications of more severe contraction in the next few weeks. Chicago gained 1½ points to 102½%, only a point below the all-time high reached a few weeks ago. Cincinnati rose ½-point to 88%, Cleveland 1½ points to 94½%, Detroit 1 point to 96% and New England 2 points to 92%. Birmingham lost 5 points to 90%, Wheeling 4 points to 91% and Youngstown 3 points to 94%. Unchanged rates were: St. Louis, 98%; Pittsburgh, 99%; Eastern Pennsylvania, 91% and Buffalo, 79%.

Threats of renewed strikes in captive mines is disturbing to the steel industry as interference with coke deliveries would bring shutdowns within a short time. Coal supplies for coke ovens are estimated at not more than 30 days in general, with some operations holding stocks for only a portion of this period.

Automobile output last week was 92,990 units, compared with 93,585 the preceding week, a drop of 595. In the comparable week last year production was 121,943 cars. Weekly assemblies for the past month have been consistently close to 90,000 in conformity with orders of OPM to limit production.

Composite prices continue under influence of ceilings and are unchanged: Finished steel, $56.73; semifinished steel, $36.00; steelmaking pig iron, $23.05; steelmaking scrap, $19.17.

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# The London Stock Exchange

Quotations of representative stocks as received by cable each day of the past week:

| | Sat. Nov. 8 | Mon. Nov. 10 | Tues. Nov. 11 | Wed. Nov. 12 | Thur. Nov. 13 | Fri. Nov. 14 |
|---|---|---|---|---|---|---|
| Boots Pure Drugs | Closed | 35/- | 35/6 | 35/6 | 35/6 | 35/6 |
| British Amer. Tobacco | | 93/9 | 95/- | 96/3 | 96/3 | 96/3 |
| *Cable & W. ord. | | £67¾ | £68 | £68 | £68½ | £69½ |
| Central Min. & Invest. | | £13 | £13 | £13 | £13 | £13 |
| Cons. Goldfields of S. A. | | 40/- | 40/- | 42/6 | 43/9 | 43/9 |
| Courtaulds (S.) & Co. | | 35/- | 35/- | 34/6 | 34/9 | 34/9 |
| De Beers | | £9⅜ | £9 5/16 | £9⅜ | £9 9/16 | £9¾ |
| Distillers Co. | | 70/3 | 70/6 | 71/- | 71/- | 70/9 |
| Electric & Musical Ind. | | 13/- | 13/3 | 13/3 | 13/3 | 13/6 |
| Ford Ltd. | | 24/3 | 24/3 | 24/6 | 24/3 | 24/3 |
| Hudsons Bay Company | | 25/3 | 25/3 | 25/3 | 25/3 | 25/3 |
| Imp. Tob. of G. B. & I. | | 125/- | 125/- | 127/6 | 127/- | 127/6 |
| *London Mid. Ry. | | £15½ | £15⅝ | £15¾ | £15½ | £15¾ |
| Metal Box | | 77/- | 77/- | 77/- | 77/- | 77/- |
| Rand Mines | | £7⅛ | £7⅛ | £7⅛ | £7⅛ | £7⅛ |
| Rio Tinto | | £6¼ | £6¼ | £6¼ | £6¼ | £7¼ |
| Rolls Royce | | 80/- | 81/3 | 81/3 | 81/3 | 82/6 |
| Shell Transport | | 53/9 | 55/- | 55/- | 55/6 | 55/6 |
| United Molasses | | 27/9 | 27/9 | 27/9 | 27/9 | 28/9 |
| Vickers | | 17/6 | 17/6 | 17/6 | 17/6 | 17/6 |
| West Witwatersrand Areas | | £5¼ | £5 5/16 | £5 5/16 | £5⅜ | £5 7/16 |

*Per £100 par value.

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# Sept. Hourly Wages Reach New Record

Average hourly earnings in 25 manufacturing industries in the United States rose to a new high record in September, according to the Division of Industrial Economics of The Conference Board, which under date of Nov. 14 further reported:

The hourly average for September was 84.4 cents, as compared with 82.8 cents in August and 74.4 cents in November, 1940, when the present wave of wage increases began. It was higher than in August in 22 of the 25 industries. In the meat packing industry hourly earnings increased from 75.8 cents to 80.4 cents. There were increases of two cents an hour or more in the automobile, chemical, northern cotton, silk and rayon, wool, machine and machine tool, and other foundry product industries. Average hourly earnings in the petroleum refining industry, not included in the 25 industries for which continuous records are available for many years, increased from $1.041 in August to $1.107 in September.

Average hours per week in the 25 industries amounted to 41.6, as compared with 41.2 in August and 41.7 in June, the post-depression high mark. The greatest increase was in the lumber and millwork industry, where average hours rose from 41.0 in August to 43.1 in September. The largest number of hours worked was in the machine and machine tool industry, where the employees worked 50.4 hours as compared with 49.1 in August. Seven industries worked fewer hours in September than in August.

Average weekly earnings were also the highest ever. In the 25 industries they amounted to $35.10 in September as compared with $34.10 in August. The largest increase, amounting to $2.53, was in the lumber and millwork industry. The highest weekly earnings, $44.08, were in the machine and machine tool industry, where the employees worked 50.4 hours per week at the comparatively high hourly earnings of 88.7 cents.

The Conference Board's index of real weekly earnings (the index of earnings divided by the cost of living index) was 145.3 (1923=100) in September, as compared with 143.3 in August and 145.4 in June, the previous high record. The Board's indexes of employment increased from 123.0 in August to 125.3 in September; of total man hours worked from 103.0 to 106.0; and of payrolls from 157.6 to 165.3.

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# Says Trust Companies Must Cut Costs

Reduction of operating costs for trust institutions is one of the best means available at the present time for putting the business on a profitable basis, it was declared by Ronald M. Kimball, Vice-President of the Continental Illinois National Bank and Trust Co. of Chicago, at the an[illegible] Mid-Continent Trust Conferen[illegible] of the American Bankers Association, at St. Louis on Nov. 7. Speaking on the subject, "Savings in Operations," Mr. Kimball declared that "for the past several years there has been a concerted effort on the part of ABA committees to have trust departments find their costs, and much progress has been made in this direction." He recommended seven methods by which operating costs can be reduced. "In addition to these," he said, "there are at least 60 additional ways in which these costs can be lowered." The seven suggestions made by Mr. Kimball are:

Analyze administrative work

to the end that duties of lesser responsibility may be assigned to the lower salaried employees;

Eliminate numerous small holdings of securities;

Maintain an approved list of securities for ready use to eliminate investigation and analysis costs;

Dispose of "expensive assets" —those on which maintenance costs, such as some types of real estate, are relatively high;

Consider aligning real estate to professional property management for necessary management services;

Level off the "peaks" of clerical operations by spreading remittance or statement dates;

File securities in vaults on the "open face" system, so that they may be readily obtainable.

"To bring about these economies requires a great deal of cooperation inside the institution itself," Mr. Kimball declared. "No one officer or group of officers unaided can ever bring them about. Very possibly, the board of directors should name a special committee on economies in trust administration. The committee might be made up of general officers or directors, or the trust officers and possibly the junior officers and division heads. This committee should be given power to act and not just power to suggest."

## Says Canadians Must Sacrifice for Defense

If the Canadian people are to give the fullest aid to Great Britain and the Allied Powers in bringing the World War to a successful conclusion, they must be shaken from their sense of false security and complacency and be made to realize that the war effort is one in which everyone has to make an effective contribution, G. W. Spinney, joint general manager of the Bank of Montreal and Chairman of the Canadian National War Finance Committee told members of the Investment Dealers Association of Canada at the closing session of their convention at Lucerne-in-Quebec during the week of Nov. 8. In part, Mr. Spinney said:

> The choice now before us is whether to regard the war as a high-class opportunity to build planes and make munitions at high profits and wages, or to regard it as a national effort in which everyone has to make an effective contribution where one's responsibilities involve personal sacrifice. For my part, I do not believe that we can hope to succeed unless we are prepared to subject ourselves to controls, to self-denial in every possible direction, and to channel into the war effort the utmost share of our collective labor and resources. If we as a people cannot be aroused to a full recognition of our individual and collective responsibility we most certainly cannot do the job justice and we shall with equal certainty jeopardize our prospects of success.

## Moody's Commodity Index Declines

Moody's Daily Commodity Index declined moderately from 209.7 a week ago to 209.0 this Tuesday. The most important individual change was the drop in corn prices.

The movement of the index was as follows:

| | |
|---|---|
| Monday, Nov. 10 | 209.7 |
| Wednesday, Nov. 12 | 208.7 |
| Thursday, Nov. 13 | 208.9 |
| Friday, Nov. 14 | 208.8 |
| Saturday, Nov. 15 | 208.6 |
| Monday, Nov. 17 | 208.4 |
| Tuesday, Nov. 18 | 209.0 |
| Two weeks ago, Nov. 3 | 208.5 |
| Month ago, Oct. 18 | 206.6 |
| Year ago, Nov. 18 | 168.7 |
| 1940 High—Dec. 31 | 171.8 |
| Low—Aug. 16 | 149.3 |
| 1941 High—Sept. 9 | 219.9 |
| Low—Feb. 17 | 171.6 |

## Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest coal report stated that the total production of soft coal in the week ended Nov. 8 is estimated at 10,930,000 net tons. This is an increase of 374,000 tons, or 3.5% over the preceding week, and is in comparison with 8,974,000 tons in the corresponding week of 1940. Cumulative production of soft coal in 1941 to date is now 11.6% above that in 1940, and but 6.6% below that in 1929. Anthracite production is 9.3% above that in 1940.

The U. S. Bureau of Mines reported that the estimated production of Pennsylvania anthracite for the week ended Nov. 8 was 1,051,000 tons, an increase of 26,000 tons over the preceding week. Output in the corresponding week of 1940 amounted to 1,069,000 tons.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL (IN THOUSANDS OF NET TONS), WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

| | Week Ended | | | Calendar Year to Date d | | |
|---|---|---|---|---|---|---|
| | Nov. 8, 1941 | Nov. 1, 1941c | Nov. 9, 1940 | 1941e | 1940 | 1929 |
| Bituminous coal a | | | | | | |
| Total, including mine fuel | 10,930 | 10,556 | 8,974 | 427,248 | 382,943 | 457,579 |
| Daily average | 1,822 | 1,759 | 1,632 | 1,626 | 1,445 | 1,716 |
| Crude petroleum b | | | | | | |
| Coal equivalent of weekly output | 6,561 | 6,521 | 5,741 | 272,675 | 265,750 | 199,233 |

a Includes for purposes of historical comparison and statistical convenience the production of lignite. b Total barrels produced during the week converted to equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,100 B.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal. ("Minerals Yearbook," 1939, page 702.) c Revised. d Sum of 45 full weeks ended Nov. 8, 1941, and corresponding 45 weeks in 1940 and 1929. e Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND BEEHIVE COKE (IN NET TONS)

| | Week Ended | | | Calendar Year to Date | | |
|---|---|---|---|---|---|---|
| | Nov. 8, 1941 | Nov. 1, 1941 | Nov. 9, 1940 | 1941 | 1940 a | 1929 a |
| Penn. Anthracite— | | | | | | |
| Total, incl. colliery fuel b | 1,051,000 | 1,025,000 | 1,069,000 | 47,485,000 | 43,425,000 | 62,194,000 |
| Comm'l production c | 998,000 | 974,000 | 1,016,000 | 45,116,000 | 41,254,000 | 57,716,000 |
| Beehive Coke— | | | | | | |
| U. S. Total | 133,000 | 118,300 | 96,900 | 5,322,700 | 2,262,200 | 5,800,400 |
| Daily average | 22,167 | 19,717 | 16,150 | 19,935 | 8,473 | 21,724 |

(a) Adjusted to comparable periods in the three years. (b) Includes washery and dredge coal, and coal shipped by truck from authorized operations. (c) Excludes colliery fuel.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

| | Week Ended | | | | | Oct. |
|---|---|---|---|---|---|---|
| State— | Nov. 1, 1941 | Oct. 25, 1941r | Nov. 2, 1940 | Nov. 4, 1939 | Nov. 2, 1929 | average 1923 |
| Alaska | 3 | 4 | 5 | 3 | (f) | (f) |
| Alabama | 231 | 234 | 303 | 284 | 350 | 398 |
| Arkansas and Oklahoma | 85 | 100 | 50 | 86 | 144 | 88 |
| Colorado | 159 | 141 | 129 | 168 | 245 | 217 |
| Georgia and North Carolina | 1 | 1 | * | * | (f) | (f) |
| Illinois | 1,095 | 1,032 | 894 | 1,144 | 1,299 | 1,558 |
| Indiana | 473 | 464 | 338 | 405 | 378 | 520 |
| Iowa | 49 | 45 | 55 | 73 | 103 | 116 |
| Kansas and Missouri | 139 | 148 | 102 | 160 | 148 | 161 |
| Kentucky—Eastern | 901 | 960 | 714 | 933 | 979 | 764 |
| Western | 239 | 197 | 138 | 177 | 284 | 238 |
| Maryland | 37 | 37 | 31 | 37 | 57 | 35 |
| Michigan | 8 | 7 | 13 | 16 | 21 | 28 |
| Montana | 103 | 93 | 72 | 76 | 87 | 82 |
| New Mexico | 24 | 28 | 21 | 25 | 60 | 58 |
| North and South Dakota | 105 | 59 | 66 | 83 | f56 | f36 |
| Ohio | 675 | 680 | 369 | 532 | 549 | 817 |
| Pennsylvania bituminous | 2,363 | 2,698 | 2,436 | 2,619 | 2,807 | 3,149 |
| Tennessee | 147 | 141 | 104 | 115 | 116 | 118 |
| Texas | 8 | 9 | 9 | 16 | 16 | 26 |
| Utah | 91 | 94 | 84 | 95 | 123 | 121 |
| Virginia | 402 | 410 | 281 | 362 | 265 | 231 |
| Washington | 56 | 48 | 38 | 46 | 55 | 68 |
| West Virginia—Southern a | 2,170 | 2,303 | 1,696 | 2,259 | 2,171 | 1,488 |
| Northern b | 827 | 878 | 589 | 742 | 780 | 805 |
| Wyoming | 164 | 152 | 128 | 126 | 165 | 184 |
| Other Western States c | 1 | 3 | * | * | f8 | f4 |
| Total bituminous coal | 10,556 | 10,966 | 8,665 | 10,582 | 11,266 | 11,310 |
| Pennsylvania anthracite d | 1,025 | 1,224 | 947 | 753 | 1,218 | 1,968 |
| Total, all coal | 11,581 | 12,190 | 9,612 | 11,335 | 12,484 | 13,278 |

a Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. b Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. c Includes Arizona, California, Idaho, Nevada, and Oregon. d Data for Pennsylvania anthracite from published records of the Bureau of Mines. e Average weekly rate for entire month. f Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." * Less than 1,000 tons. r Revised.

## Bonds Unchanged

The corporate bond market has remained in about the same position as last week. The drift toward harder money rates which has been evident for several weeks among shorter term governments has been reflected this week in declines among the longer Treasury issues.

High-grade railroad bonds have lost some ground. The refusal of railroad labor to accept the President's Fact Finding Board's recommendation as to wages, together with the voting of strike action set for Dec. 7, were factors explaining the poor market action of second-grade rails. Among issues of this group New York Central 4s, 1998, declined 3¼ points to a new low of 50¾; Pere Marquette 5s, 1956, dropped 1⅞ points to 71. Defaulted issues showed declines in sympathy with lower stock prices.

High-grade utility bond prices have wavered in spots although on the whole net changes have been relatively small. Lower-grade investment and speculative issues gave ground, losses in some instances assuming sizable proportions. Among these American Power & Light 6s, 2016, Brooklyn Union Gas 5s, 1950, International Hydro-Electric 6s, 1944, Georgia Power & Light 5s, 1978, and Standard Gas & Electric 6s, 1948, were prominent.

The highest grades of industrial bonds have been virtually unchanged. Among lower grades, steel company bonds have evidenced some softness, with Jones & Laughlin, 3¼s, 1961, off ⅜ at 98¼ and Youngstown Sheet and Tube 3¼s, 1960, down ⅜ at 101⅞. Oils have been about the same. Among special issues, United Drug 5s, 1953, declined ½ point to 94. A new industrial issue was on the market this week, the $15,000,000 Superior Oil 3½s, 1956, the offering price being 103. This was the first industrial issue in many months, with the exception of the $20,000,000 Westinghouse Electric and Manufacturing deb. 2⅛s, 1951, and $15,000,000 Hiram Walker serial debentures sold last week.

A sharp drop in Denmark 6s and weakness in Norwegian loans have marked trading in foreign bonds. South American loans have been subject to some liquidation, as Cuban bonds continued firm. Commonwealth issues have sold lower while price changes in Canadian loans were unimportant.

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

| 1941 Daily Averages | U. S. Govt. Bonds | Avge. Corporate * | Corporate by Ratings * Aaa | Aa | A | Baa | Corporate by Groups * R. R. | P. U. | Indus. |
|---|---|---|---|---|---|---|---|---|---|
| Nov. 18 | 119.93 | 108.16 | 118.60 | 115.82 | 109.60 | 91.77 | 97.31 | 112.37 | 116.02 |
| 17 | 119.93 | 108.16 | 118.60 | 115.82 | 109.60 | 91.77 | 97.31 | 112.37 | 116.02 |
| 15 | 119.98 | 108.16 | 118.60 | 115.82 | 109.42 | 91.77 | 97.31 | 112.37 | 116.22 |
| 14 | 119.98 | 108.16 | 118.60 | 115.82 | 109.42 | 91.77 | 97.31 | 112.37 | 116.02 |
| 13 | 120.00 | 108.16 | 118.60 | 115.82 | 109.60 | 91.77 | 97.31 | 112.37 | 116.02 |
| 12 | 120.00 | 108.16 | 118.60 | 115.82 | 109.60 | 91.77 | 97.47 | 112.37 | 116.22 |
| 11 | | | | Stock Exchange Closed | | | | | |
| 10 | 120.02 | 108.34 | 118.60 | 115.82 | 109.60 | 92.06 | 97.62 | 112.37 | 116.22 |
| 8 | 120.01 | 108.34 | 118.60 | 116.02 | 109.60 | 92.20 | 97.62 | 112.56 | 116.22 |
| 7 | 120.04 | 108.34 | 118.60 | 116.02 | 109.60 | 92.20 | 97.78 | 112.37 | 116.22 |
| 6 | 120.04 | 108.52 | 118.60 | 115.82 | 109.60 | 92.50 | 97.78 | 112.37 | 116.41 |
| 5 | 120.04 | 108.34 | 118.60 | 115.82 | 109.60 | 92.35 | 97.62 | 112.37 | 116.41 |
| 4 | | | | Stock Exchange Closed | | | | | |
| 3 | 120.04 | 108.34 | 118.60 | 115.82 | 109.42 | 92.06 | 97.47 | 112.19 | 116.22 |
| 1 | 120.04 | 108.16 | 118.40 | 115.82 | 109.42 | 91.91 | 97.47 | 112.19 | 116.02 |
| Oct. 31 | 120.03 | 108.16 | 118.40 | 115.82 | 109.42 | 92.06 | 97.47 | 112.19 | 116.02 |
| 24 | 119.43 | 108.16 | 118.40 | 115.63 | 109.42 | 92.06 | 97.47 | 112.19 | 116.02 |
| 17 | 119.23 | 107.98 | 118.40 | 115.43 | 109.06 | 91.77 | 97.00 | 112.00 | 116.02 |
| 10 | 119.16 | 107.98 | 118.20 | 115.24 | 109.06 | 91.91 | 97.16 | 112.00 | 116.02 |
| 3 | 119.21 | 107.98 | 118.40 | 115.43 | 109.06 | 91.77 | 97.00 | 112.00 | 116.02 |
| Sept 24 | 118.95 | 107.44 | 118.00 | 114.85 | 108.70 | 91.19 | 96.69 | 111.81 | 115.43 |
| 17 | 118.82 | 107.62 | 118.20 | 114.66 | 108.70 | 91.48 | 96.69 | 111.62 | 115.43 |
| 12 | 119.02 | 107.62 | 118.00 | 114.66 | 108.70 | 91.62 | 97.00 | 111.81 | 115.24 |
| 5 | 119.13 | 107.80 | 118.20 | 114.85 | 108.88 | 95.06 | 97.31 | 112.00 | 115.24 |
| Aug. 29 | 119.14 | 107.80 | 118.40 | 114.85 | 108.88 | 91.77 | 97.16 | 111.81 | 115.43 |
| 22 | 118.78 | 107.62 | 118.00 | 114.66 | 108.70 | 91.77 | 97.16 | 112.00 | 115.04 |
| 15 | 118.90 | 107.80 | 118.00 | 115.04 | 108.70 | 91.91 | 97.31 | 112.00 | 115.04 |
| 8 | 119.20 | 107.98 | 118.20 | 115.24 | 108.70 | 92.20 | 97.47 | 112.00 | 115.24 |
| 1 | 119.56 | 107.80 | 118.20 | 115.24 | 108.52 | 92.06 | 97.47 | 112.00 | 115.24 |
| July 25 | 119.55 | 107.80 | 118.00 | 115.24 | 108.52 | 92.06 | 97.47 | 112.00 | 115.04 |
| 18 | 119.47 | 107.62 | 118.20 | 115.04 | 108.34 | 91.91 | 97.46 | 112.00 | 115.04 |
| 11 | 119.46 | 107.62 | 118.20 | 115.04 | 108.16 | 91.91 | 97.16 | 111.81 | 115.04 |
| 3 | 119.55 | 107.44 | 118.00 | 114.66 | 107.98 | 91.77 | 97.00 | 111.62 | 114.85 |
| June 27 | 119.45 | 107.44 | 118.00 | 114.66 | 107.80 | 91.77 | 97.16 | 114.44 | 114.64 |
| 20 | 119.02 | 107.09 | 117.80 | 114.46 | 107.62 | 91.48 | 97.00 | 111.44 | 114.27 |
| 13 | 118.97 | 106.92 | 117.60 | 114.08 | 107.44 | 91.48 | 97.00 | 111.25 | 113.89 |
| 6 | 118.81 | 106.74 | 117.20 | 113.70 | 107.27 | 91.19 | 96.69 | 110.88 | 113.31 |
| May 29 | 118.71 | 106.39 | 116.61 | 113.31 | 107.09 | 91.05 | 96.69 | 110.70 | 112.75 |
| 23 | 118.35 | 106.39 | 116.80 | 113.50 | 106.92 | 91.19 | 96.69 | 110.70 | 112.93 |
| 16 | 118.52 | 106.39 | 116.61 | 113.31 | 106.92 | 91.34 | 96.85 | 110.52 | 112.75 |
| 9 | 118.45 | 106.56 | 116.80 | 113.12 | 106.92 | 91.62 | 97.00 | 110.52 | 112.93 |
| 2 | 118.66 | 106.39 | 117.00 | 112.93 | 106.74 | 91.34 | 96.85 | 110.52 | 112.75 |
| Apr. 25 | 118.62 | 106.21 | 116.61 | 112.75 | 106.56 | 91.19 | 96.69 | 110.34 | 112.19 |
| 18 | 118.28 | 105.86 | 116.41 | 112.56 | 106.39 | 90.91 | 96.54 | 110.15 | 112.00 |
| 10 | 117.36 | 105.69 | 116.41 | 112.19 | 106.21 | 90.77 | 96.54 | 109.79 | 111.81 |
| 4 | 117.55 | 106.04 | 116.80 | 112.37 | 106.21 | 91.48 | 97.00 | 109.97 | 112.19 |
| Mar. 28 | 117.80 | 105.86 | 116.41 | 112.19 | 106.04 | 91.05 | 96.54 | 109.79 | 111.81 |
| 21 | 117.85 | 106.21 | 117.00 | 112.93 | 106.56 | 90.77 | 96.54 | 110.15 | 112.75 |
| 14 | 117.77 | 106.21 | 117.40 | 113.31 | 106.56 | 90.48 | 96.54 | 109.97 | 113.31 |
| 7 | 116.90 | 106.04 | 117.40 | 113.31 | 106.39 | 90.20 | 96.23 | 109.97 | 113.12 |
| Feb. 28 | 116.93 | 105.86 | 117.20 | 112.93 | 106.21 | 89.78 | 95.92 | 109.79 | 112.75 |
| 21 | 116.06 | 105.52 | 117.00 | 112.75 | 106.04 | 89.52 | 95.62 | 109.60 | 112.75 |
| 14 | 116.24 | 105.86 | 117.60 | 113.12 | 106.21 | 89.64 | 95.92 | 109.60 | 113.12 |
| 7 | 116.52 | 106.21 | 117.80 | 113.31 | 106.39 | 90.20 | 95.54 | 109.79 | 113.31 |
| Jan. 31 | 117.14 | 106.39 | 118.00 | 113.70 | 106.39 | 90.48 | 96.85 | 109.79 | 113.70 |
| 24 | 117.64 | 106.56 | 117.60 | 113.89 | 106.56 | 90.77 | 97.16 | 109.97 | 113.50 |
| 17 | 118.06 | 106.56 | 118.20 | 113.89 | 106.56 | 90.48 | 96.69 | 110.15 | 113.89 |
| 10 | 118.03 | 106.56 | 118.20 | 114.27 | 106.56 | 90.34 | 96.69 | 110.15 | 114.08 |
| 3 | 118.65 | 106.39 | 118.40 | 114.46 | 106.39 | 89.78 | 95.92 | 110.15 | 114.46 |
| High 1941 | 120.05 | 108.52 | 118.60 | 116.02 | 109.60 | 92.50 | 97.78 | 112.56 | 116.41 |
| Low 1941 | 115.89 | 105.52 | 116.22 | 112.00 | 106.04 | 89.23 | 95.62 | 109.42 | 111.62 |
| High 1940 | 119.63 | 106.74 | 119.00 | 115.04 | 106.74 | 89.92 | 96.07 | 110.88 | 114.85 |
| Low 1940 | 113.02 | 99.04 | 112.19 | 109.60 | 99.52 | 79.37 | 86.38 | 105.52 | 104.56 |
| 1 Yr. Ago | | | | | | | | | |
| Nov. 18, '40 | 118.57 | 106.04 | 118.20 | 114.08 | 106.04 | 89.37 | 95.32 | 110.52 | 113.70 |
| 2 Yrs. Ago | | | | | | | | | |
| Nov. 18, '39 | 113.99 | 100.98 | 113.31 | 110.52 | 99.68 | 84.30 | 89.64 | 105.86 | 108.88 |

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

| 1941 Daily Average | Avge. Corporate | Corporate by Ratings Aaa | Aa | A | Baa | Corporate by Groups R. R. | P. U. | Indus. |
|---|---|---|---|---|---|---|---|---|
| Nov. 18 | 3.27 | 2.72 | 2.86 | 3.19 | 4.29 | 3.92 | 3.04 | 2.85 |
| 17 | 3.27 | 2.72 | 2.86 | 3.19 | 4.29 | 3.92 | 3.04 | 2.85 |
| 15 | 3.27 | 2.72 | 2.86 | 3.20 | 4.29 | 3.92 | 3.04 | 2.84 |
| 14 | 3.27 | 2.72 | 2.86 | 3.20 | 4.29 | 3.92 | 3.04 | 2.85 |
| 13 | 3.27 | 2.72 | 2.86 | 3.19 | 4.29 | 3.92 | 3.04 | 2.85 |
| 12 | 3.27 | 2.72 | 2.86 | 3.19 | 4.29 | 3.91 | 3.04 | 2.84 |
| 11 | | | Stock Exchange Closed | | | | | |
| 10 | 3.26 | 2.72 | 2.86 | 3.19 | 4.27 | 3.90 | 3.04 | 2.84 |
| 8 | 3.26 | 2.72 | 2.85 | 3.19 | 4.26 | 3.90 | 3.03 | 2.84 |
| 7 | 3.26 | 2.72 | 2.85 | 3.19 | 4.26 | 3.89 | 3.04 | 2.84 |
| 6 | 3.25 | 2.72 | 2.86 | 3.19 | 4.24 | 3.89 | 3.04 | 2.83 |
| 5 | 3.26 | 2.72 | 2.86 | 3.19 | 4.25 | 3.90 | 3.04 | 2.83 |
| 4 | | | Stock Exchange Closed | | | | | |
| 3 | 3.26 | 2.72 | 2.86 | 3.20 | 4.27 | 3.91 | 3.05 | 2.84 |
| 1 | 3.27 | 2.73 | 2.86 | 3.20 | 4.28 | 3.91 | 3.05 | 2.85 |
| Oct. 31 | 3.27 | 2.73 | 2.86 | 3.20 | 4.27 | 3.91 | 3.05 | 2.85 |
| 24 | 3.27 | 2.73 | 2.87 | 3.20 | 4.27 | 3.91 | 3.05 | 2.85 |
| 17 | 3.28 | 2.73 | 2.88 | 3.22 | 4.29 | 3.94 | 3.06 | 2.85 |
| 10 | 3.28 | 2.74 | 2.89 | 3.22 | 4.28 | 3.93 | 3.06 | 2.85 |
| 3 | 3.28 | 2.73 | 2.88 | 3.22 | 4.29 | 3.94 | 3.06 | 2.85 |
| Sept 24 | 3.31 | 2.75 | 2.91 | 3.24 | 4.33 | 3.96 | 3.07 | 2.88 |
| 17 | 3.30 | 2.74 | 2.92 | 3.24 | 4.31 | 3.96 | 3.08 | 2.88 |
| 12 | 3.30 | 2.75 | 2.92 | 3.24 | 4.30 | 3.94 | 3.07 | 2.89 |
| 5 | 3.29 | 2.74 | 2.91 | 3.23 | 4.27 | 3.92 | 3.06 | 2.89 |
| Aug. 29 | 3.29 | 2.73 | 2.91 | 3.23 | 4.29 | 3.93 | 3.06 | 2.88 |
| 22 | 3.30 | 2.75 | 2.92 | 3.24 | 4.29 | 3.93 | 3.06 | 2.90 |
| 15 | 3.29 | 2.75 | 2.90 | 3.24 | 4.28 | 3.92 | 3.06 | 2.90 |
| 8 | 3.28 | 2.74 | 2.89 | 3.24 | 4.26 | 3.91 | 3.06 | 2.89 |
| 1 | 3.29 | 2.74 | 2.89 | 3.25 | 4.27 | 3.91 | 3.06 | 2.89 |
| July 25 | 3.29 | 2.75 | 2.89 | 3.25 | 4.27 | 3.91 | 3.06 | 2.90 |
| 18 | 3.30 | 2.74 | 2.90 | 3.26 | 4.28 | 3.93 | 3.06 | 2.90 |
| 11 | 3.30 | 2.74 | 2.90 | 3.27 | 4.28 | 3.93 | 3.07 | 2.90 |
| 3 | 3.31 | 2.75 | 2.92 | 3.28 | 4.29 | 3.94 | 3.08 | 2.91 |
| June 27 | 3.31 | 2.75 | 2.92 | 3.29 | 4.29 | 3.93 | 3.09 | 2.92 |
| 20 | 3.33 | 2.76 | 2.93 | 3.30 | 4.31 | 3.94 | 3.09 | 2.94 |
| 13 | 3.34 | 2.77 | 2.95 | 3.31 | 4.31 | 3.94 | 3.10 | 2.96 |
| 6 | 3.35 | 2.79 | 2.97 | 3.32 | 4.33 | 3.96 | 3.12 | 2.99 |
| May 29 | 3.37 | 2.82 | 2.99 | 3.33 | 4.34 | 3.96 | 3.13 | 3.02 |
| 23 | 3.37 | 2.81 | 2.98 | 3.34 | 4.33 | 3.96 | 3.13 | 3.01 |
| 16 | 3.37 | 2.82 | 2.99 | 3.34 | 4.32 | 3.95 | 3.14 | 3.02 |
| 9 | 3.36 | 2.81 | 3.00 | 3.34 | 4.30 | 3.94 | 3.14 | 3.01 |
| 2 | 3.37 | 2.80 | 3.01 | 3.35 | 4.32 | 3.95 | 3.14 | 3.02 |
| Apr. 25 | 3.38 | 2.82 | 3.02 | 3.36 | 4.33 | 3.96 | 3.15 | 3.05 |
| 18 | 3.40 | 2.83 | 3.03 | 3.37 | 4.35 | 3.97 | 3.16 | 3.06 |
| 10 | 3.41 | 2.83 | 3.05 | 3.38 | 4.36 | 3.97 | 3.18 | 3.07 |
| 4 | 3.39 | 2.81 | 3.04 | 3.38 | 4.31 | 3.94 | 3.17 | 3.05 |
| Mar. 28 | 3.40 | 2.83 | 3.05 | 3.39 | 4.34 | 3.97 | 3.18 | 3.07 |
| 21 | 3.38 | 2.80 | 3.01 | 3.36 | 4.36 | 3.97 | 3.46 | 3.02 |
| 14 | 3.38 | 2.78 | 2.99 | 3.36 | 4.38 | 3.97 | 3.17 | 2.99 |
| 7 | 3.39 | 2.78 | 2.99 | 3.37 | 4.40 | 3.99 | 3.17 | 3.00 |
| Feb. 28 | 3.40 | 2.79 | 3.01 | 3.38 | 4.43 | 4.01 | 3.18 | 3.02 |
| 21 | 3.42 | 2.80 | 3.02 | 3.39 | 4.45 | 4.03 | 3.19 | 3.02 |
| 14 | 3.40 | 2.77 | 3.00 | 3.38 | 4.44 | 4.01 | 3.19 | 3.00 |
| 7 | 3.38 | 2.76 | 2.99 | 3.37 | 4.40 | 3.97 | 3.18 | 2.99 |
| Jan. 31 | 3.37 | 2.75 | 2.97 | 3.37 | 4.37 | 3.95 | 3.18 | 2.97 |
| 24 | 3.36 | 2.77 | 2.96 | 3.36 | 4.36 | 3.93 | 3.17 | 2.98 |
| 17 | 3.36 | 2.74 | 2.96 | 3.36 | 4.38 | 3.96 | 3.16 | 2.98 |
| 10 | 3.36 | 2.74 | 2.94 | 3.36 | 4.39 | 3.96 | 3.16 | 2.98 |
| 3 | 3.37 | 2.73 | 2.93 | 3.37 | 4.43 | 4.01 | 3.16 | 2.93 |
| High 1941 | 3.42 | 2.84 | 3.06 | 3.39 | 4.47 | 4.03 | 3.20 | 3.08 |
| Low 1941 | 3.25 | 2.72 | 2.85 | 3.19 | 4.24 | 3.89 | 3.03 | 2.83 |
| High 1940 | 3.81 | 3.06 | 3.19 | 3.78 | 5.24 | 4.68 | 3.42 | 3.34 |
| Low 1940 | 3.35 | 2.70 | 2.90 | 3.35 | 4.42 | 4.00 | 3.12 | 2.91 |
| 1 Year Ago— | | | | | | | | |
| Nov. 18, '40 | 3.39 | 2.74 | 2.95 | 3.39 | 4.46 | 4.05 | 3.14 | 2.97 |
| 2 Years Ago— | | | | | | | | |
| Nov. 18, '39 | 3.69 | 2.99 | 3.14 | 3.77 | 4.84 | 4.44 | 3.40 | 3.23 |

* These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

† The latest complete list of bonds used in computing these indexes was published in the issue of Oct. 2, 1941, page 409.

# October Cotton Consumption Makes New High

Under date of Nov. 14, 1941, the Census Bureau issued its report showing cotton consumed in the United States, cotton on hand, active cotton spindles, and imports and exports of cotton for the month of October, 1941, and 1940. Cotton consumed amounted to 953,600 bales of lint and 133,006 bales of linters, as compared with 770,832 bales of lint and 113,837 bales of linters in October, 1940.

September consumption of cotton includes 6,000 bales distributed by Surplus Marketing Administration through various cotton mattress programs. The following is the statement.

OCTOBER REPORT OF COTTON CONSUMED, ON HAND, IMPORTED AND EXPORTED AND ACTIVE COTTON SPINDLES

(Cotton in running bales, counting round as half bales, except foreign which is in 500-pound bales.)

| | | Cotton consumed during | | Cotton on hand October 31 | | |
|---|---|---|---|---|---|---|
| | Year | October (bales) | 3 mos. ending Oct. 31 (bales) | In consuming establishments (bales) | In public storage and at compresses (bales) | Cotton spindles active during October (number) |
| United States | 1941 | *953,600 | 2,703,395 | 1,993,293 | 13,342,123 | 23,043,310 |
| | 1940 | 770,832 | 2,059,955 | 1,355,460 | 13,836,566 | 22,470,784 |
| Cotton-growing States | 1941 | 805,975 | 2,290,938 | 1,648,371 | 12,955,370 | 17,390,512 |
| | 1940 | 652,843 | 1,762,856 | 1,172,276 | 13,700,798 | 17,014,378 |
| New England States | 1941 | 119,319 | 320,954 | 287,169 | 358,657 | 5,013,310 |
| | 1940 | 97,953 | 243,363 | 147,805 | 126,176 | 4,854,828 |
| All other States | 1941 | 28,306 | 91,503 | 57,753 | 28,096 | 639,488 |
| | 1940 | 20,036 | 53,736 | 35,379 | 9,592 | 601,578 |
| INCLUDED ABOVE | | | | | | |
| Egyptian cotton | 1941 | 6,890 | 18,417 | 35,415 | 7,822 | ------ |
| | 1940 | 4,945 | 13,232 | 28,666 | 3,078 | ------ |
| Other foreign cotton | 1941 | 10,464 | 28,281 | 52,151 | 66,547 | ------ |
| | 1940 | 6,993 | 17,703 | 27,659 | 22,377 | ------ |
| Amer.-Egyptian cotton | 1941 | 3,174 | 8,358 | 10,139 | 11,442 | ------ |
| | 1940 | 2,076 | 5,757 | 7,735 | 9,453 | ------ |
| NOT INCLUDED ABOVE | | | | | | |
| Linters | 1941 | 133,006 | 394,051 | 460,523 | 94,599 | ------ |
| | 1940 | 113,837 | 295,450 | 406,080 | 65,431 | ------ |

IMPORTS OF FOREIGN COTTON
(500-pound bales)

| Country of production | October 1941 | October 1940 | 3 months ending Oct. 31 1941 | 3 months ending Oct. 31 1940 |
|---|---|---|---|---|
| Total | 40.696 | 15.726 | 109.431 | 29.871 |
| Egypt | 8.213 | 3,814 | 20,051 | 7,986 |
| Peru | 4.908 | 164 | 6.102 | 330 |
| China | ---- | ---- | ---- | ---- |
| Mexico | 15.816 | 273 | 26,198 | 276 |
| Br. India | 10.768 | 10,976 | 56,087 | 20.774 |
| All others | 991 | 499 | 993 | 505 |

Linters imported during 2 months ending Sept. 30, 1941, amounted to 58,040 equivalent 500-pound bales.

EXPORTS OF DOMESTIC COTTON AND LINTERS (running bales)

| | October 1941 | October 1940 | 3 months ending Oct. 31 1941 | 3 months ending Oct. 31 1940 |
|---|---|---|---|---|
| Total cotton | 161,668 | 194,700 | 429,399 | 350,680 |
| Total linters | 65 | 2,861 | 2,640 | 9,776 |

In the interest of national and hemisphere defense, the Department has decided to cease publishing detailed statistics concerning the country of destination of our exports.

*October consumption of cotton includes 6,000 bales distributed by Surplus Marketing Administration through various cotton mattress programs.

### World Statistics

The world's production of commercial cotton, exclusive of linters. grown in 1939 as compiled from various sources was 27,875,000 bales. counting American in running bales and foreign in bales of 478 pounds lint, while the consumption of cotton (exclusive of linters in the United States) for the year ending July 31, 1939, was 27,748,000 bales. The total number of spinning cotton spindles, both active and idle, is about 145,000,000.

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# Cost Of Living Advanced 1.2% Further In October Conference Board Reports

The cost of living in the United States continued to rise in October at about the same rate as in the previous seven months, according to the Division of Industrial Economics of The Conference Board. The October increase amounted to 1.2%, as compared with an average monthly increase of 0.9% since last March, said the Board, which under date of Nov. 11 further reported:

> Clothing prices advanced more than any of the other principal items in the wage earner's budget in October, thus taking the ball away from retail food prices which, until September were rising faster than anything else. Clothing prices were 1.8% higher than in September, as compared with an increase of 1.5% in food prices. Since last March, however, food prices have risen more than 14%, whereas clothing prices have risen not quite 7%.
>
> Part of the rise in the cost of living in October was caused by the new Federal excise taxes. The index of the cost of sundries, which includes some of the principal articles subject to these taxes, rose 1.4% from September to October. This is the first time that sundries have shown any marked increase. From March to September they rose only 1.5%.
>
> Since October, 1940, the cost of living has risen 7.5%. It is now 28.2% above the April, 1933 depression low point and 9.2% below the October, 1929 level.
>
> Food—Costs in October were 1.5% higher than in September, 17.2% above those in October, 1940, and 48.4% more than during March, 1933. They were, however, 17.5% lower than in October, 1929.
>
> Rents, by rising 0.3% from September to October, reached a level 2.1% above the October, 1940 level, 42.3% higher than the January, 1934 low point, and only 3.1% less than in October, 1929.
>
> Clothing prices in October advanced 1.8% above those of September. They exceeded those of a year ago by 7.1%, and those of the depression low month by 29.0%, but were 20.9% below October, 1929 prices.
>
> Coal prices were increased 1.0% in October to a point 7.4% higher than in October last year but 0.6% lower than in the same month of 1929.
>
> Sundries in October cost 1.4% more than in September, 3.2% more than in October, 1940, 12.2% more than in June, 1933, and 1.3% more than in October, 1929.
>
> The purchasing value of the dollar was 108.8 cents in October as compared with 110.1 cents in September, 117.0 cents in the same month of 1940, 98.8 cents in October, 1929, and 100 cents in 1923.

The following table shows The Conference Board's indexes for the major items of the family budget in September and October, 1941 and the percentages of change in each.

| Item | Relative Importance in Family Budget | Indexes of the Cost of Living 1923=100 Oct. 1941 | Indexes of the Cost of Living 1923=100 Sept. 1941 | Pct. of Inc. (+) or Dec. (—) from Sept., 1941 to Oct., 1941 |
|---|---|---|---|---|
| *Food | 33 | 90.7 | 89.4 | +1.5 |
| Housing | 20 | 89.2 | 88.9 | +0.3 |
| Clothing | 12 | 78.3 | 76.9 | +1.8 |
| Men's | | 86.2 | 84.8 | +1.7 |
| Women's | | 70.4 | 69.0 | +2.0 |
| Fuel and light | 5 | 90.0 | 89.4 | +0.7 |
| Coal | | 92.0 | 91.1 | +1.0 |
| †Gas and electricity | | 85.9 | 85.9 | 0 |
| Sundries | 30 | 101.2 | 99.8 | +1.4 |
| Weighted average of all items | 100 | 91.9 | 90.8 | +1.2 |
| Purchasing value of dollar | | 108.8 | 110.1 | —1.2 |

*Based on The Conference Board index of food prices for Oct. 15, 1941 and Sept. 15, 1941. †Based upon retail prices of 35 kilowatt hours of electricity, 1,000 cubic feet of natural gas, or 2,000 cubic feet of manufactured gas.

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# Daily Average Crude Oil Production for Week Ended Nov. 15, 1941 Off 9,250 Barrels

The American Petroleum Institute estimates that the daily average crude oil production for the week ended Nov. 15, 1941, was 4,086,850 barrels. This was a decrease of 9,250 barrels from the output of the preceding week and the current week's figures were above the 4,070,000 barrels calculated by the U. S. Department of the Interior to be the total of restrictions imposed by the various oil-producing States during November. Daily average production for the four weeks ended Nov. 15, 1941, is estimated at 4,088,250 barrels. The daily average output for the week ended Nov. 16, 1940, totaled 3,576,550 barrels. Further details as reported by the Institute follows:

Reports received from refining companies owning 86.4% of the 4,538,000 barrel estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines' basis, 4,010,000 barrels of crude oil daily during the week, and that all companies had in storage at refineries, bulk terminals, in transit and in pipe lines as of the end of the week, 83,412,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 13,772,000 barrels during the week.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

| | aB. of M. Calculated Requirements (November) | State Allowables | Actual Production Week Ended Nov. 15 1941 | Change from Previous Week | 4 Weeks Ended Nov. 15 1941 | Week Ended Nov. 16 1940 |
|---|---|---|---|---|---|---|
| Oklahoma | 469,400 | 428,000 | b427,500 | + 5,850 | 427,700 | 399,900 |
| Kansas | 253,500 | 257,000 | b255,550 | +16,600 | 246,850 | 192,200 |
| Nebraska | 6,200 | ------ | b5,900 | — 300 | 6,050 | 2,200 |
| Panhandle Texas | | | 79,600 | — 200 | 79,750 | 62,000 |
| North Texas | | | 105,900 | + 150 | 105,650 | 110,550 |
| West Central Texas | | | 31,400 | ------- | 31,400 | 30,700 |
| West Texas | | | 285,600 | — 1,200 | 285,400 | 215,150 |
| East Central Texas | | | 83,050 | — 4,200 | 85,450 | 74,900 |
| East Texas | | | 369,650 | ------- | 369,700 | 374,750 |
| Southwest Texas | | | 215,800 | — 5,050 | 219,250 | 198,050 |
| Coastal Texas | | | 289,200 | — 2,300 | 291,350 | 234,450 |
| Total Texas | 1,454,700 | c1,533,283 | 1,460,200 | —12,800 | 1,467,950 | 1,300,550 |
| North Louisiana | | | 82,100 | — 350 | 81,650 | 66,700 |
| Coastal Louisiana | | | 269,650 | + 3,800 | 265,100 | 215,700 |
| Total Louisiana | 333,200 | 347,058 | 351,750 | + 3,450 | 346,750 | 282,400 |
| Arkansas | 76,500 | 73,653 | 72,800 | + 350 | 72,400 | 69,300 |
| Mississippi | 55,100 | | b76,300 | +12,150 | 67,550 | 16,100 |
| Illinois | 408,100 | | 384,650 | —31,950 | 410,200 | 343,150 |
| Indiana | 20,500 | | b17,600 | — 1,150 | 18,350 | 19,450 |
| Eastern (not incl. Ill. & Ind. | 94,300 | | 92,300 | + 2,000 | 93,700 | 87,650 |
| Michigan | 47,400 | | 61,300 | — 1,550 | 60,200 | 47,350 |
| Wyoming | 83,400 | | 74,400 | — 6,050 | 80,150 | 72,600 |
| Montana | 20,600 | | 21,400 | ------- | 20,700 | 18,050 |
| Colorado | 5,200 | | 5,650 | + 50 | 5,400 | 3,400 |
| New Mexico | 115,200 | 116,500 | 116.450 | ------- | 116,450 | 100,850 |
| Total East of Calif. | 3,443,300 | | 3,423,750 | —13,350 | 3,440,400 | 2,955,150 |
| California | 626,700 | d613,200 | 663.100 | + 4,100 | 647,850 | 621,400 |
| Total United States | 4,070,000 | | 4,086,850 | — 9,250 | 4,088,250 | 3,576,550 |

aThese are Bureau of Mines' calculations of the requirements of domestic crude oil based upon certain premises outlined in its detailed forecast for the month of November. As requirements may be supplied either from stocks, or from new production, contemplated withdrawals from crude oil inventories must be deducted from the Bureau's estimated requirements to determine the amount of new crude to be produced.

bOkla., Kans., Neb., Miss., Ind. figures are for week ended 7 a. m. Nov. 12.

cThis is the net basic 30-day allowable as of Nov. 1, but experience indicates that it will increase as new wells are completed, and if any upward revisions are made. With a few exceptions the entire State, including Panhandle, was ordered shut down on Nov. 2, 8, 9, 11, 16, 23, 27 and 30.

dRecommendation of Conservation Committee of California Oil Producers.

NOTE:—The figures indicated above do not include any estimate of any oil which might have been surreptitiously produced.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED NOV. 15, 1941

(Figures in Thousands of Barrels of 42 Gallons Each)

| District | Daily Refining Capacity Potential Rate | Daily Refining Capacity P. C. Reporting | Crude Runs to Stills Daily Aver. | Crude Runs to Stills P. C. Operated | Gasoline Produc'n at Refineries Incl. Natural Blended | Stocks Finished & Unfinished Gasoline | e Stocks of Gas Oil and Distillates | e Stocks of Residual Fuel Oil | f Stocks Aviation Gasoline |
|---|---|---|---|---|---|---|---|---|---|
| East Coast | 673 | 100.0 | 649 | 96.4 | 1,938 | 19,013 | 22,375 | 11,523 | E. Coast |
| Appalachian | 166 | 83.8 | 122 | 87.8 | 417 | 3,307 | 657 | 381 | .674 |
| Ind., Ill., Ky. | 752 | 84.4 | 622 | 98.0 | 2,493 | 15,250 | 5,846 | 4,713 | Interior |
| Okla., Kans., Mo. | 413 | 80.7 | 300 | 90.1 | 1,181 | 7,837 | 2,047 | 2,335 | 1,468 |
| Inland Texas | 263 | 63.2 | 136 | 81.9 | 644 | 2,505 | 472 | 1,383 | G. Coast |
| Texas Gulf | 1,097 | 91.0 | 1,004 | 100.5 | 3,281 | 11,059 | 6,470 | 8,519 | 2,665 |
| Louisiana Gulf | 156 | 94.2 | 160 | 114.3 | 482 | 2,610 | 1,741 | 2,171 | |
| No. La. & Ark. | 95 | 49.9 | 39 | 83.0 | 124 | 425 | 399 | 399 | |
| Rocky Mountain | 136 | 50.1 | 49 | 72.1 | 236 | 1,026 | 144 | 279 | Calif. |
| California | 787 | 90.9 | 557 | 77.9 | 1.601 | 15,055 | 13,232 | 63.040 | 2.105 |
| Reported | | 86.4 | 3,638 | 92.9 | 12,397 | 78,087 | 53,383 | 94,743 | 6,912 |
| Estimated unreported | | | 372 | | 1.375 | 5,325 | 1,600 | 1,250 | 395 |
| aEstd. Total U. S. Nov. 15, 1941 | 4,538 | | 4,010 | | 13,772 | d83,412 | 54,983 | 95,993 | 7,307 |
| aEstd. Total U. S. Nov. 3, 1941 | 4,538 | | 3,945 | | 12,907 | 82,777 | 54,643 | 95,815 | 7,128 |
| U. S. B. of M. aNov. 15, 1940 | | | b3.512 | | c11.619 | 79.340 | 47,911 | 105.909 | 6.264 |

aEstimated Bureau of Mines' basis. bNovember 1940 daily average. cThis is a week's production based on the U. S. Bureau of Mines November 1940 daily average. dFinished 75,590,000 bbl.; unfinished 7,822.000 bbl. eAt refineries, bulk terminals, in transit and pipe lines. fIncluded in finished and unfinished gasoline total.

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# Mutual Savings Bank Xmas Clubs At Record

The 52 mutual savings banks in the five boroughs of New York City hold $23,948,511 in Christmas Club savings for 537,454 depositors, according to figures issued Nov. 13 by the National Association of Mutual Savings Banks. The 21 mutual savings banks of Brooklyn have the largest share of such funds, amounting to $11,749,444, distributed among 279,473 accounts. In Manhattan, 18 mutual institutions hold $7,646,567 for Christmas savers, the holiday money of 148,884 depositors.

The total of Christmas Club deposits for New York State mutual savings banks is reported at $32,270,329, belonging to 712,527 depositors, while the total for the 17 States in which mutual savings banks operate is $75,982,610, a gain of about $6,500,000 for the year, and number of depositors to 1,624,252. Second in rank among the States is Massachusetts with Christmas Club deposits aggregating $18,485,463, belonging to 417,324 depositors. Connecticut held third place, having Christmas fund deposits of $8,939,561 and 181,940 depositors. New Jersey ranked fourth, its Christmas Club deposits being $4,725,000 and its depositors numbering 78,668.

"These record figures for Christmas Clubs in mutual savings banks supply an impressive example of what consistent saving will do," said Andrew Mills, Jr., President of the Association and of the Dry Dock Savings Institution, New York. He continued:

> It is gratifying to know that in such trying times so many savers will have funds to enjoy the Christmas season and spread some of the cheer among others. Let me urge, though, that every person having a Christmas Club account divert a part of the current balance for the purchase of at least one Defense Savings Bond. Certainly, a bond in any amount will make an ideal Christmas gift. There could be no better evidence of the Christmas spirit tnan to devote a part of holiday funds to national defense.

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## Rayon's 30th Birthday

The United States rayon industry is observing this year the 30th anniversary of its first full year of production, it was stated on Nov. 18 by the American Viscose Corporation, which established the industry in this country. The firm's announcement issued Nov. 17 further said:

> Production of rayon yarn in 1911, the year in which rayon manufacture commenced in the United States, amounted to 362,544 pounds, and was manufactured entirely at the Viscose company's plant at Marcus Hook, Pa., the only American rayon plant at that time. Today the company's seven plants turn out this amount of rayon yarn in less than a day and a half.
>
> In the 30-year period since the beginning of rayon manufacture in the United States, the annual domestic output of rayon yarn and rayon staple fiber has increased more than a thousand-fold to an annual total of approximately 500,000 pounds. Production of the American Viscose Corporation, the largest manufacturer, amounted to 147,000,000 pounds of rayon yarn and rayon staple fiber in 1940, and accounted for 31% of the total domestic output of 471,071,000 pounds. Production this year will be slightly larger, as the company is operating at maximum capacity to supply rayon for the hosiery industry and for defense materials in addition to providing for its regular customers in the weaving, knitting and other industries.

## Electric Output For Week Ended Nov. 15, 1941 Shows Gain Of 14.3% Over Like Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Nov. 15, 1941 was 3,304,464,000 kwh. The current week's output is 14.3% above the output of the corresponding week of 1940, when production totaled 2,889,937,000 kwh. The output for the week ended Nov. 8, 1941 was estimated to be 3,325,574,000 kwh., an increase of 16.4% over the like week a year ago.

PERCENTAGE INCREASE FROM PREVIOUS YEAR

| Major Geographic Regions | Week Ended Nov. 15, '41 | Week Ended Nov. 8, '41 | Week Ended Nov. 1, '41 | Week Ended Oct. 25, '41 |
|---|---|---|---|---|
| New England | 15.7 | 18.7 | 17.7 | 17.5 |
| Middle Atlantic | 10.4 | 14.0 | 12.2 | 12.2 |
| Central Industrial | 16.8 | 18.5 | 18.1 | 17.4 |
| West Central | 15.9 | 17.8 | 17.5 | 16.5 |
| Southern States | 14.3 | 17.3 | 16.4 | 17.9 |
| Rocky Mountain | 16.9 | 16.3 | 17.7 | 11.9 |
| Pacific Coast | x12.2 | x11.1 | x12.4 | x8.4 |
| Total United States | 14.3 | 16.4 | 15.8 | 15.1 |

x Percentage should be higher; data under revision.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

| *Week Ended* | 1941 | 1940 | Percent Change 1941 from 1940 | 1939 | 1938 | 1937 |
|---|---|---|---|---|---|---|
| June 7 | 3,042,128 | 2,598,812 | +17.1 | 2,328,756 | 2,056,509 | 2,266,759 |
| June 14 | 3,066,047 | 2,664,853 | +15.1 | 2,340,571 | 2,051,006 | 2,260,771 |
| June 21 | 3,055,841 | 2,653,788 | +15.2 | 2,362,436 | 2,082,232 | 2,287,420 |
| June 28 | 3,120,780 | 2,659,825 | +17.3 | 2,395,857 | 2,074,014 | 2,285,362 |
| July 5 | 2,866,865 | 2,425,229 | +18.2 | 2,145,033 | 1,937,486 | 2,139,281 |
| July 12 | 3,141,158 | 2,651,626 | +18.5 | 2,402,893 | 2,154,099 | 2,358,438 |
| July 19 | 3,162,586 | 2,681,071 | +18.0 | 2,377,902 | 2,152,779 | 2,321,531 |
| July 26 | 3,183,925 | 2,760.935 | +15.3 | 2,426,631 | 2,159,667 | 2,312,104 |
| Aug. 2 | 3,226,141 | 2,762,240 | +16.8 | 2,399,805 | 2,193,750 | 2,341,103 |
| Aug. 9 | 3,196,009 | 2,743,284 | +16.5 | 2,413,600 | 2,198,266 | 2,360,930 |
| Aug. 16 | 3,200,818 | 2,745,697 | +16.6 | 2,453,556 | 2,206,560 | 2,365,859 |
| Aug. 23 | 3,193,404 | 2,714,193 | +17.7 | 2,434,101 | 2,202,454 | 2,351,233 |
| Aug. 30 | 3,223,609 | 2,736,224 | +17.8 | 2,442,021 | 2,216,648 | 2,380,301 |
| Sept 6 | 3,095,746 | 2,591,957 | +19.4 | 2,375,852 | 2,109,985 | 2,211,398 |
| Sept 13 | 3,281,290 | 2,773,177 | +18.3 | 2,532,014 | 2,279,233 | 2,338,370 |
| Sept 20 | 3,232,192 | 2,769,346 | +16.7 | 2,538,118 | 2,211,059 | 2,231,277 |
| Sept 27 | 3,233,278 | 2,816,358 | +14.8 | 2,558,538 | 2,207,942 | 2,331,415 |
| Oct. 4 | 3,289,692 | 2,792,067 | +17.8 | 2,554,290 | 2,228,586 | 2,339,384 |
| Oct. 11 | 3,314,952 | 2,817,465 | +17.7 | 2,583,366 | 2,251,089 | 2,324,750 |
| Oct. 18 | 3,273,184 | 2,837,730 | +15.3 | 2,576,331 | 2,281,328 | 2,327,212 |
| Oct. 25 | 3,299,120 | 2,866,827 | +15.1 | 2,622,267 | 2,283,831 | 2,297,785 |
| Nov. 1 | 3,338,538 | 2,882,137 | +15.8 | 2,608,664 | 2,270,534 | 2,245,449 |
| Nov. 8 | 3,325,574 | 2,858,054 | +16.4 | 2,588,618 | 2,276,904 | 2,214,337 |
| Nov. 15 | 3,304,464 | 2,889,937 | +14.3 | 2,587,113 | 2,325,273 | 2,263,679 |

DATA FOR RECENT MONTHS (Thousands of Kilowatt-Hours)

| | 1941 | 1940 | Percent Change 1941 from 1940 | 1939 | 1938 | 1937 |
|---|---|---|---|---|---|---|
| January | 13.149,116 | 11,683,430 | +12.5 | 10,183,400 | 9,290,754 | 9,787,901 |
| February | 11,831,119 | 10,589,428 | +11.7 | 9,256,313 | 8,396,231 | 8,911,125 |
| March | 12,882,642 | 10,974,335 | +17.4 | 10,121,459 | 9,110,808 | 9,886,443 |
| April | 12,449,229 | 10,705,682 | +16.3 | 9,525,317 | 8,607,031 | 9,573,698 |
| May | 13,218,633 | 11,118,543 | +18.9 | 9,868,962 | 8,750,840 | 9,665,137 |
| June | 13,231,219 | 11,026,943 | +20.0 | 10,068,845 | 8,832,736 | 9,773,908 |
| July | 13,836,992 | 11,616,238 | +19.1 | 10,185,255 | 9,170,375 | 10,036,410 |
| August | 14,118,619 | 11,924,381 | +18.4 | 10,785,902 | 9,801,770 | 10,308,884 |
| September | | 11,484,529 | --- | 10,653,197 | 9,486,866 | 9,908,314 |
| October | | 12,474,727 | --- | 11,289,617 | 9,844,519 | 10,065,805 |
| November | | 12,213,543 | --- | 11,087,866 | 9,893,195 | 9,506,495 |
| December | | 12,842,218 | --- | 11,476,294 | 10,372,602 | 9,717,471 |
| Total for yr. | | 138,653,997 | | 124,502,309 | 111,557,727 | 117.141.591 |

## Petroleum And Its Products

Recommendations of E. O. Thompson, Chairman of the Texas Railroad Commission, that adequate crude oil be produced, ratably, and without damage to fields, to meet the current emergency defense needs, won the approval of the Federal Oil Administrator's office this week but Deputy Petroleum Coordinator Ralph K. Davies, in answering Mr. Thompson's suggestions, asked that not only Texas but other major oil-producing States to continue their usual procedure in establishing the December production quotas, pending the adoption of further steps to coordinate petroleum storage with production and consumption.

In wiring his answer to Mr. Thompson's suggested program which called for long-range balancing of production and consumption through adequate "stockpiling" or storage operations, Mr. Davies, in asking that any such moves be deferred pending the development of a complete program, said "some preliminary program might be quite adequate and effective with respect to Texas, because of its predominant position in the petroleum industry," but it might "result in severe economic dislocation" in other areas. Mr. Davies' answer was sent to Mr. Thompson at Austin where it was made public at the state-wide proration meeting on Monday.

"It is our opinion," Mr. Davies said, "that the Texas Railroad Commission and the regulatory bodies of other States conform to their usual procedure in determining crude oil production quotas for December, pending an early announcement of a consistent and practical program for protecting the national interest by better correlation of petroleum stocks with petroleum production and consumption.

"To meet the contingencies that may arise during the emergency, it seems to me," he continued, "that the industry should be immediately called upon to begin producing, refining and storing substantially large and increased quantities of crude, gasoline and other products. * * * At least 306,000,000 barrels of crude oil and a minimum of 103,000,000 barrels of gasoline should be carried in storage through the emergency * * * possibly much more." He pointed out that current stocks of crude oil were 243,340,000 barrels, and of gasoline 83,343,000 barrels.

The nominations for purchases of Texas crude filed with the Railroad Commission at Monday's meeting totaled 1,947,403 barrels, which is 55,364 barrels above the November nominations and compares with curent production for the Lone Star State of 1,540,517 barrels daily. Almost unanimous support of the move for higher production in Texas was shown at the meeting with some producers calling for a sharp reduction in the number of shutdown days, now at 10 or better monthly. In support of the move for higher production quotas, figures were quoted showing that Texas refineries were operating at only 88% of capacity, while stocks of crude oil in the State were off sharply.

The embargo on low-grade petroleum product exports from the Atlantic Seaboard was lifted on Nov. 14 by the Economic Defense Board with the board's Office of Export Control ordering the extension of the same regulations now in effect for the Gulf and West Coast to the East Coast. "Relaxation of this control," the board said, "permits the resumption of exportation of certain petroleum products from Atlantic Coast ports to countries to which such shipments had been discontinued during the recent oil emergency in the East States."

The Board's announcement placed uniform general licenses in effect, replacing special licenses GEG and GEH, and making applicable to all ports of export the regulations governing exportation of petroleum products and tetraethyl lead to countries of approved destination. "In effect," it was explained, "this modification of control means that Atlantic Coast exporters may now also ship to the Netherlands Indies, Free China, the Belgian Congo, Free France, Canada, Newfoundland, Iceland, Great Britain, Northern Ireland and other American republics.

"Shippers must continue to furnish affidavits certifying that certain petroleum products included in their export proposals do not meet aviation grade specifications. High grade petroleum products are permitted as heretofore to be exported under general license only to Canada, Great Britain, and Northern Ireland, Newfoundland, Iceland and the Philippine Islands," the announcement pointed out.

A new high in domestic consumption of fuel oils was scored during 1940 when a gain of 9% over the previous year lifted the total to 498,758,000 barrels, against 456,943,000 a year earlier, the Petroleum Economic Division of the Bureau of Mines reported on Nov. 13. A substantial loss in exports was shown, however, at the 1940 figure of 35,240,000 barrels in contrast to 49,505,000 barrels shipped out of the United States in the previous 12 months. The bunker trade in fuel oil dropped about 6% during the year, totals being 65,146,000 barrels in 1939, against 61,554,000 barrels last year.

September demand for all oils was at a new all-time record high level of 4,510,000 barrels daily, comparing with 3,988,000 barrels in the comparable 1940 month, the Bureau of Mines disclosed on Monday. Domestic consumption averaged 4,205,000 barrels during the month covered in the report, against 3,670,000 barrels in September a year ago. Exports were off slightly, totaling 305,000 barrels in contrast to a total of 318,000 barrels daily reported for the comparable 1940 period.

High priority ratings for materials for five additional plants to make 100-octane aviation gasoline or the materials used in the refining of this product have been established following recommendations for such a move by the Office of the Petroleum Coordinator, it was announced in Washington on Monday by Petroleum Coordinator Ickes' office. This brings the number of aviation gasoline plants now building or scheduled for immediate erection under the Coordinator's program to triple current production facilities of 40,000 barrels daily to twenty, it was pointed out.

The Office of Production Management, unable to establish a "stockpile" of steel drums for overseas shipments of petroleum products because of space limitations, this week ordered a "stockpile" of the raw materials used in the manufacture of these drums. J. S. Knowlson, Acting Director of Priorities, signed two orders, effective immediately, designed to make possible the speedy manufacture of such drums. The material set aside under the two priority orders can be used only upon the specific order of the Priorities Division.

Daily average crude oil production, held down by shutdown days in Texas, showed a small slump during the week ended Nov. 15, according to the mid-week report of the American Petroleum Institute which placed output at 4,086,050 barrels, against 4,095,300 a week earlier, a loss of 9,250 barrels. The total compared with the November market demand estimate of the United States Bureau of Mines of 4,070,000 barrels, indicating continued over-production.

There were no crude oil price changes during the week.

**Prices of Typical Crude per Barrell At Wells**
(All gravities where A. P. I. degrees are not shown)

| | |
|---|---|
| Bradford, Pa. | $2.75 |
| Corning, Pa. | 1.31 |
| Eastern Illinois | 1.22 |
| Illinois Basin | 1.37 |
| Mid-Contin't, Okla., 40 and above | 1.25 |
| Smackover, Heavy | 0.83 |
| Rodessa, Ark., 40 and above | 1.20 |
| East Texas, Texas, 40 and above | 1.25 |
| Kettleman Hills, 37.9 and over | 1.29 |
| Pecos County, Texas | 0.95 |
| Lance Creek, Wyo. | 1.12 |
| Signal Hill, 30.9 and over | 1.23 |

### Refined Products

Immediate allocation of sales of tetra-ethyl lead fluid, used in aviation and motor fuel gasoline to increase the octane rating, will go into effect because of the threatened shortages of raw materials used in the manufacture of the fluid, the Ethyl Gasoline Corp., sole maker of the fluid, wired its customers this week. The company is owned jointly by Standard Oil Co. of New Jersey and the General Motors Corp.

In announcing the allocation plans, the company said that while it hopes to be able to supply 100% of the previous 12 months' demand over the ensuing 12 months, there has been sharp expansion in recent months over a year ago. "This percentage, however, may have to be decreased, or it may be increased from time to time, consistent with production schedules which it may be possible to maintain under the governmental agency or agencies which have jurisdiction of the subject matter," it was pointed out by E. W. Webb, president of the company.

The allocation will be on the basis of: (1) All current orders will be filled; (2) All future orders for aviation fluid and all direct orders for United States and foreign governments for defense purposes will have priority in fulfillment; (3) All future orders from its customers necessary to fill requirements of both the United States and approved foreign armed forces, certified by the customer, will also have priority in fulfillment; (4) All other orders, until further notice, will be allocated, if necessary, on the basis of a percentage (the same percentage for all customers) of each customer's purchases during the year beginning Nov. 15, 1940, distributed by Ethyl as nearly as possible to correspond with the distribution for the 12 months in question.

It was pointed out that the company's manufacturing capacity is far in excess of present needs, but governmental restrictions on raw material supplies make it necessary to adopt the allocation plan. The company's production has, for some months, been limited by the rationing of raw material supplies by the Office of Production Management.

"The consequent reduction of our output, coupled with the increasing demands for our products for defense needs and increasing demands for commercial use, have brought our inventory to the point where government defense officials and ourselves consider it now approaches a level which may prove inadequate for emergencies for national defense, and all indications are that national defense demands will be substantially increased and commercial use may also rise still further during 1942," Mr. Webb declared.

The tight statistical position of the gasoline division of the refined products branch of the petroleum industry coupled with the continued record demand has created a pattern of price steadiness that presents a definite picture of contra-seasonal strength in the gasoline price structure. The dealer net price in 50 leading cities on Nov. 1 was 10.02 cents a gallon, off only 2 points from a month earlier but 1.44 cents a gallon above the price on the like 1940 date.

Service station prices, the reports gathered by the American Petroleum Institute disclosed, were 14.04 cents a gallon, before taxes, on Nov. 1, unchanged from Oct. 1 but 1.83 cents a gallon higher than a year ago. The consumer price, including taxes, averaged 19.99 cents a gallon, unchanged from a month earlier but 1.88 cents a gallon better than the level prevailing on Nov. 1, a year ago.

A combination of continued warm weather and high inventories, the latter compiled at the time of the fuel oil shortage scare this summer, have exerted a depressing influence upon the heating oil price structure in the New York market, and to a lesser degree along the Atlantic Coast. No. 6 heating oil has given ground under pressure, and No. 2, although holding better, may also recede unless cold weather becomes an actuality, oil circles believe.

Gasoline stocks, including finished, unfinished and aviation fuel, were up 635,000 barrels during the week ended Nov. 15, totaling 83,412,000 barrels, according to the American Petroleum Institute report. Refinery operations showed a slight gain, with daily average crude runs to stills climbing 65,000 barrels to 4,010,000 barrels. In the week ended Nov. 8, figures covering this period having been delayed because of the Armistice Day holiday last week, gasoline stocks showed a contra-seasonal drop, easing off 445,000 barrels to 82,777,000 barrels. The slump was due in part to the cut in refinery operations which dropped 3.4 points to 91.2% of capacity, lowest figure in some time. Daily average runs of crude oil to stills during this period were off 135,000 barrels, at 3,945,000 barrels.

There were no major changes in the refined products price structure this week.

**U. S. Gasoline (Above 65 Octane), Tank Car Lots, F. O. B. Refinery**

| | |
|---|---|
| New York— | |
| Socony-Vac. | $.085 |
| Tide Water Oil | .09 |
| Texas | .085 |
| y Shell Eastern | .085 |
| Other Cities— | |
| Chicago | .06-.06⅜ |
| Gulf Coast | .06-.06 |
| Oklahoma | .06-.06⅜ |

y Super.

**Kerosene, 41-43 Water White, Tank Car, F. O. B. Refinery**

| | |
|---|---|
| New York (Bayonne) | $.055 |
| Baltimore | .0525 |
| Philadelphia | .0525 |
| North Texas | .04 |
| New Orleans | .05⅜-.06 |
| Tulsa | .04⅜-.04¾ |

**Fuel Oil, F. O. B. Refinery or Terminal**

| | |
|---|---|
| N. Y. (Harbor) Bunker C | $1.55 |
| Diesel | 2.00 |
| Savannah, Bunker C | 1.30 |
| Philadelphia, Bunker C | 1.35 |
| Gulf Coast | $.85-.90 |
| Halifax | 1.60 |

**Gas, Oil, F. O. B. Refinery or Terminal**

| | |
|---|---|
| N. Y. (Bayonne) 7 plus | $.04 |
| Chicago, 28,30 D | .053 |
| Tulsa | .03⅛-.03 |

## Foreign Front

*(Continued from First Page).*

Japanese moves which are expected in those areas to develop toward the Burma Road into China. Chinese military authorities also dispatched additional forces to the only route from which munitions can be obtained from the outside world.

**Few indications were afforded in Berlin and Tokio of the reactions in those Axis capitals, but it requires no stretch of the imagination to realize that full entry of the Japanese Axis partner into the world conflict is ardently desired. Prime Minister Churchill has promised a war declaration against Japan "within the hour," if war develops between Japan and the United States. Russia is similarly concerned.**

In a last desperate attempt to alleviate the difficulties between Washington and Tokio, the Japanese authorities dispatched to the United States their famed special envoy, Saburo Kurusu. The flight of Mr. Kurusu around half the world was concluded in Washington, last Saturday, and after some discussions at the Japanese Embassy, he conferred at length with Secretary of State Cordell Hull and with President Roosevelt. Neither the Japanese nor the American officials would indicate, as the conversations proceeded, that any progress was made toward a satisfactory adjustment.

The Japanese Diet, meanwhile, met last Saturday in a special session called for authorization of vast additional war expenditures and a clarification of war policy. The Japanese Premier, Gen. Hideki Tojo, addressed the Diet on Monday, and emphasized the necessity for preventing the European war from spreading to the Pacific. Main points of Japanese policy otherwise, however, were entirely at variance with the attitude and commitments of the United States Government.

Other nations, according to Premier Tojo, must keep aloof from the Sino-Japanese war and the settlement which Tokio intends to impose. The economic blockade which is keeping Japanese foreign trade at a standstill must be lifted, he added. Japan also requires termination, said the Premier, of the "military encirclement" policy developed, according to the Premier, by the ABCD nations of America, Britain, China and the Dutch East Indies. In the course of his speech General Tojo referred again and again to the need for normal trade relations.

Foreign Minister Shigenori Togo said in the same Diet session that there is a limit to what he called Japan's conciliatory attitude. The Tokio Government, he said, is bending all efforts toward an understanding with the United States, but "should an occasion arise such as might menace the very existence of our Empire, or compromise the prestige of Japan as a great Power, it goes without saying that Japan must face it with a firm and resolute attitude." Japanese entrance into the Axis was described by the Foreign Minister as "a great contribution toward the construction of a new order in East Asia and Europe, as well as toward the prevention of the spread of war."

The precise stipulations that may have been put before Mr. Kurusu in Washington, early this week, have not been revealed. But the course of policy leaves no doubt that Mr. Roosevelt requires an end to Japanese expansionism, and withdrawal by Japan both from the Axis and from large portions or all of China, proper. In return, Mr. Roosevelt can offer Japan the friendship of America and resumption of normal trade relations.

**Whether the Japanese are prepared to view matters in the American light may be doubted, since various steps toward enlarged military activities already have been taken in Tokio. Conscription has been extended to hitherto exempt groups, and Tokio was reported on Monday to have demanded from Indo-China the right to send in another 50,000 soldiers. Most important of all, the Diet voted speedily on Monday appropriations of 3,800,000,000 yen for the extraordinary military budget.**

### End of Neutrality

Every pretense of American neutrality in the European war now has been abandoned, owing to enactment by Congress last Thursday of a resolution which, if effected, makes possible not only the arming of American merchant ships, but also the entry of such vessels into combat waters. The Neutrality Act, whittled away in previous moves, became little more than a dead letter when those vital prohibitions were cast aside by the House, soon after the Senate acted similarly. President Roosevelt signed the bill last Monday, and the arming of ships began immediately, with convoying to British ports the obvious next step.

**The debate in which this move was considered by the House was grave and portentous, as befits a measure that friends and foes of the Administration alike regarded as an outright war step. Restlessness resulting from strikes in captive coal mines and other industries almost defeated the proposal. A general and public appeal by President Roosevelt was issued on the very eve of the voting in the House, and assurances by the President of action to halt the strikes apparently persuaded some Representaives and secured the necessary majority.**

It was, nevertheless, an impressively close vote that decided the issue, for 212 Congressmen voted for repeal of the two vital sections of the Neutrality Act, while 194 voted against such repeal, a margin of only 18 votes. All Washington reports indicated that the Administration exerted utmost pressure to obtain passage of the resolution. When the tally was completed and the results made known, the Navy Department announced that it was prepared promptly to place guns and anti-aircraft equipment on the ships.

News reports of ship movements will, of course, become sparse and may well disappear altogether for the "duration." It is already well known, on the other hand, that a vast new base has been under preparation for months in Northern Ireland by Americans in the employ of the British Government. The newly armed American ships, it is accepted, will transport direct to that base and perhaps also to English and Scottish ports the war supplies furnished under lend-lease. That the ships will be convoyed is quite obvious.

Jubilation was occasioned in Great Britain by the American move, with the press frankly declaring that the Americans "are coming." In Berlin and Rome the view was expressed that a "sea of incidents" impends under the new dispensation, with all-out war more than possible.

**Secretary of the Navy Frank Knox treated the situation, in his customary manner, as an incident in what he called "the war against the Axis powers." Since Mr. Knox frequently foreshadows White House pronouncements, it requires no stretch of the imagination to foresee a war declaration, with an American Expeditionary Force the next move. Secretary of the Interior Harold Ickes, who also expresses Presidential views in advance, indicated on Sunday that anyone failing to agree fully with the Administration must expect to be called a traitor. "We must be prepared to face the possibility," said Mr. Ickes, "that in order to defeat Hitler we may ourselves have to engage him."**

The list of naval incidents was expanded, Sunday, by a Navy Department announcement in Washington that an Axis merchant ship, disguised as an American vessel, had been captured in Equatorial Atlantic waters, after an unnamed American cruiser hailed the vessel. The crew of the ship, which was disclosed on Monday to be the Odenwald, of German ownership, tried to scuttle when hailed by the cruiser. But repairs hastily were made by American sailors. The incident actually took place Nov. 6, and terminated a voyage of the unarmed German ship from Japan to European ports, with a general cargo.

### Britain and the Axis

War developments in the direct conflict between Great Britain and the Berlin-Rome Axis suggest intensified activity in the Mediterranean and perhaps also in the Middle East. Spread of the war to new portions of Africa is rumored widely in Washington. It may be questioned whether the Nazis would engage in an all-out struggle in fresh theaters of war, while the Russian campaign remains unfinished. There is no doubt, however, of the presence of German submarines in the Mediterranean, and a degree of uneasiness has been occasioned by this disclosure.

**Loss of the great British aircraft carrier Ark Royal, 22,000 tons, was announced by the British Admiralty, last Friday. The ship was torpedoed and it was assumed at first that an Italian submarine had engaged the new British vessel, which often was reported "sunk" by the Germans, early in the war. The Ark Royal limped toward Gibraltar, after an attack in the Mediterranean. The German High Command announced on Saturday that Nazi submarines had sunk the ship, and also stated that the British battleship Malaya had been damaged seriously enough to make towing to Gibraltar necessary. Only one man was lost on the Ark Royal, according to the London authorities, who maintained silence as to the Malaya.**

This incident, together with intensified German-French conversations, occasioned apprehensions in various capitals of a Reich military adventure in Africa, designed to close the Mediterranean entirely to British shipping. As yet, however, there are no definite signs of moves in Libya. The British, also, have failed to move into Egypt, while still firmly holding Tobruk.

Attacks by the British Air Force upon the nearby "invasion coast" and industrial points in Germany were continued this week, but weather conditions were none too favorable and the attacks were more modest than in previous weeks. Cities in Eastern Germany were raided, probably by long-range Russian bombers. The Germans made a few aerial sortees against England, without occasioning much damage.

The war at sea begins to favor the British, according to statements made at the opening of the new Parliamentary session, last week, by Prime Minister Churchill. During the four months ended in October, Mr. Churchill said, British shipping loss totaled less than 750,000 tons, as against more than 2,000,000 tons in the preceding four months. German spokesmen claimed few actual sinkings of merchant ships, this week, but indicated that a fresh drive against shipping impends.

Prime Minister Churchill found it advisable to effect some changes in the British military command, Tuesday, possibly because of the growing criticism of the war effort, and especially of the lack of a second front in Europe. General Sir John Dill was relieved of his post as Chief of the General Staff, and was replaced by General Sir Alan Brooke. A number of less important changes also developed. In response to questions in the House of Commons, Mr. Churchill stated on the same day that cooperation with Russia is "as close as geographical and other conditions allow." Whether the General Staff changes herald an altered British military policy remains to be seen.

### Russo-German Conflict

As the immense struggle between Nazi Germany and Communist Russia neared the end of its fifth month, much of the vast front from the Arctic to the Caucasus appeared to be stabilized. There were a few movements reported in the Far North and in the Moscow area, but extreme cold prevailed and probably necessitated a modification of activities. Only in the Far South, on the Crimean Peninsula were sweeping developments reported, and these suggest maintenance of the striking power of the German Panzer units.

The break-through by the Nazis at the Perekop Isthmus has been followed by a rapid march through much of the Crimea. Sevastopol remains firmly in Russian hands, and this vitally important naval base may gain significance in later developments. Toward Kerch the Germans marched in impressive force, and they claimed the capture of that city last Monday, with the usual fanfare. More than 100,000 prisoners and a vast array of war booty of all kinds was claimed by the German High Command, as a consequence of the Crimean campaign. Russian authorities made no reports of any consequence available regarding operations in the Peninsula, and confined their statements to other fronts.

For the continued conduct of the war by Russia, the German march eastward is of deep importance. Only the narrow Kerch straits, from two to ten miles wide, now separate the Nazis from the Caucasus. Further progress by the Germans would place them on the edge of oil fields north of the Caucasus range, although the most important fields lie south of the vast mountains. The Black Sea threatens to become a German lake, if the Nazis continue to prevail, and Russian forces in the Donets Basin may be outflanked.

**These eventualities presumably were foreseen by the British and Russian general staffs, which are said in various reports to have made preparations to meet the advancing Nazis. There is some danger, however, that the Germans will by-pass the Southern Caucasus for the time being, since the mountains are just as hard to cross northward as southward, and concentrate on halting the flow of supplies into Russia via Iran. Other routes of supply for Russia already are endangered.**

The military circle around Moscow apparently remains a scene of intense activity, but German statements are silent and the Russian comments indicate only a modest backward push of the invaders. Russian reports are colorful, since they supply details of German soldiers fleeing in their underwear before surprise attacks. Sub-zero temperatures and heavy snow are emphasized by the Russians. The City of Tula was the area of greatest fighting this week, on the Moscow front. Around Leningrad the Germans apparently have dug in, but the Russians claimed some successes in sortees. Frozen ground is reported to have made some minor moves possible in the vast stretch north of Lake Ladoga to the Arctic Sea, but neither the Finns nor the Russians seem to be making real progress.

A winter lull on the central and northern fronts in Russia would not be surprising, in view of the admittedly severe weather. Since cold weather now is spreading rapidly to the Northern Caucasus, that region also may be immobilized, at least in part. Both sides indicated this week that they have no intention of remaining idle in other spheres, in the event of a military halt. The Russian authorities busily moved industrial equipment eastward. The Germans, in turn, began to set up agencies of civil government and economic exploitation in the 660,000 square miles of Eastern Europe overrun by their armies. Dr. Alfred Rosenberg was appointed by Hitler, Monday, as the Reich Minister for the East.

### Finnish Position

**Efforts to take Finland out of the European war and thus increase the possibility of delivering lend-lease supplies to Russia were disclosed as fruitless, in correspondence made available at Helsinki and by the Finnish Minister to Washington, a week ago today. The little nation which fought a valiant war against Russian aggression, and resumed the conflict on the side of Nazi Germany, made it clear that American friendship still was desired. What the further reaction of Washington will be possibly depends upon London, where a war declaration against associates of Hitler is reported under study.**

In suddenly bringing the Finnish question to public notice on Nov. 3, Secretary of State Cordell Hull remarked that American friendship for Finland was at stake, now and hereafter. A Finnish reply was invited to a Russian peace offer, said to have been communicated to Helsinki through American good offices last August. Fresh disclosures last week indicated that the "peace offer" was made orally to the Finnish Minister to Washington, Hjalmar Procope. The Finnish Government, in a reply published last Thursday, stated that it did not view the oral comments as a peace offer, nor even as an American mediation offer, and preferred to await developments.

Notes of conversations between Secretary Hull and other State Department officials on the one side, and the Finnish Minister on the other, were made available in part to bolster the Washington viewpoint. In the course of his conversation with Mr. Procope, Secretary Hull stated that the United States Government is prepared to spend up to $75,000,000,000 to resist and suppress Hitler and Hitlerism. The notes also showed that the State Department officials remained silent when the Finnish Minister asked what guaranties Britain and the United States could offer Finland.

**Secretary Hull reputedly displayed much impatience over this controversy, and emphasized reports that Finland, in moving eastward from her 1938 frontier, might tend to block war supplies for Russia. The real issue, he was reported as saying, is whether the Finns should over and above necessary defense requirements furnish extremely valuable aid to Germany in the effort to blockade British and American supplies to Russia through Murmansk and Archangel.**

Finnish spokesmen declared late last week that they do not consider the door closed to further negotiations with the United States. They reiterated an intention to send home the major part of the Finnish Army, as soon as a military situation is created in which Finland is considered safe. At some points, it was hinted, the Finns already have passed the strategic points of safety. The Swedish reaction was said in Helsinki to be unanimously favorable to the Finnish viewpoint.

### Pax Germanica

Fresh indications became available this week of an impending German effort to unify the Continent of Europe under the domination of the Nazis. That the British Government will view all such efforts disdainfully has already been made clear by Prime Minister Churchill, but no useful purpose can be served by minimizing the appeal of a peace offer to France and other countries under the German military heel. The prospect looms of a Continent turning its back upon Britain and the United States, and endeavoring to compensate in Eastern Europe and perhaps in Africa for the privations of a continuing sea and aerial war.

**The German Ambassador to Turkey, Franz von Papen, let slip some informative comments on Nazi intentions, in an interview last Sunday with a Spanish press representative. A strong bid is to be made for peace with Englang, Turkey to be the mediator, it was hinted. Such measures are to be attempted when the "decisive phase" of the Russian campaign has been concluded.**

Intensive discussions among the leaders of unoccupied France were said in Vichy, this week, to concern full collaboration by Marshal Petain and his associates with the Berlin regime. The German Commissioner for the Netherlands, Dr. Arthur Seyss-Inquart, held in a speech last Saturday that "full equality" is to be accorded the Hollanders in a Germanic State. Similar suggestions well may be put forward to other occupied countries, but the reactions doubtless will be unfavorable in most instances. Guerrilla activities in Serbia are said to have reached the point where much of Yugoslavia now is in their hands.

## Unfixd Cotton Call Sales

Unfixed call sales of cotton reported to the Commodity Exchange Administration increased 43,000 bales during the week ended Oct. 31 to 938,700 bales, compared with 1,134 500 bales a year earlier, according to the weekly statement issued on Nov. 7 by the Department of Agriculture. The department gave the following details:

> **The total sales outstanding on Oct. 31 consisted of 159,700 bales based on the December future of the current year, 4,600 bales based on the January future of next year, 336,200 on March, 227,200 on May, 200,700 on July, 10,200 on October, and 100 on December.**
>
> **Unfixed call purchases reported increased 29,300 bales during the week to 280,700 bales on Oct. 31, compared with 134,300 bales on the corresponding date last year. At the recent date, 126,800 bales of unfixed call purchases were based on the December future, 300 on January, 84,900 on March, 44,200 on May, 24,400 on July, and 100 on October.**
>
> This statement includes only call sales and purchases based on New York cotton futures, as reported to the Commodity Exchange Administration by merchants with futures contracts of 5,000 bales or more in a single future. The figures released therefore, do not cover all such transactions.

## U. S. Exports In September Near August Peak Lend-Lease Deliveries Boost Food Shipments

The movement of goods out of the United States aggregated $417,139,000 in September, 8% below August's shipments of $455,414,000, but was otherwise the heaviest of any month since December, 1929. August's exports were the heaviest since October, 1929 and were $96,765,000 higher than July's which in turn were $108,547,000 greater than August, 1939, the last month of peace in Europe.

August's figures represented so great a stride forward in a single month that it was hardly to be expected that September's might equal or surpass that record. The fact that September's shipments were able to maintain a level of $58,490,000 higher than July: would seem to have greater significance than that they were less than August's. September's shipments were substantially greater than September, 1940's $295,451,000.

Lend-lease shipments account for a large part of the total exports, of course, although the precise amount is not stated, and for this reason the figures ar not indicative of ordinary commercial gains. Rather they are representative of the degree o success attained in our policy o material aid to the nations opposing the Axis powers.

Previous reports of lend-lease shipments have indicated that agricultural products comprise a large portion of the total and September's exports show large gains in this category. Agricultural products had an aggregate value of $73,936,000 compared with only $22,164,000 in September, 1940, and $55,956,000 last August. As to individual instances, wheat shipments rose to $2,907,000 from $787,000 in August and $704,000 in September, 1940; corn, to $2,539,000 from $990,000 in August and $1,543,000 in September, 1940. Vegetables meat products, lard, and dairy products had already shown great increases in August and these rose further in September. Even cotton, exports of which have lately been on the lowest scale since the Civil War, participated in the gains, shipments of the staple rising to the greatest in a year and a half; 99,302,000 pounds valued at $15,052,000 were exported in September, compared with 42,035,000 pounds valued at $5,843,000 in August and 49,857,000 pounds worth $5,138,000 in September, 1940.

On the other hand, various manufactured items including war materials showed considerable decreases from August and some of them were also reduced from September, 1940. Among the more important articles, industrial machinery, iron and steel, merchant vessels and automobiles were lower in comparison with both periods. Medicines, explosives and firearms were reduced from August but remained much higher than a year ago. Aircraft exports are not shown as a separate item in the September exports.

Import trade in September dropped to $262,680,000 from $282,629,000 in August but was more than a third greater than September, 1940, when $194,854,000 goods came into the country. In the import category, agricultural products represented 44% of the aggregate in comparison with 53% in the first nine months. Government purchases of strategic materials was an important factor influencing the character of imports. Rubber, the largest individual import, had a value of $34,841,000 compared with $44,880,000 in August and $30,655,000 in September, 1940 Wool slightly under August but triple a year ago. Coffee dropped to a very low level due to the fact that the larger producing countries have about reached their quotas for this year. Burlaps, which were scarce during the last world war, dropped to $3,182,000 in September from $4,924,000 in August and $4,966,000 in September, 1940.

Gold imports rose nearly 100% above average of the four previous months to $65,707,000 but were only about a fifth as great as September, 1940, when $334,113,000 of the metal came into the country.

Silver imports of $3,356,000 in September were not quite up to the average for this year and compare with $4,656,000 in September, 1940.

## Urban Home Financing Over $3,500,000,000

Urban home financing in the United States exceeded $3,500,000,000 during the first nine months of 1941, economists of the Federal Home Loan Bank Board announced on Nov. 8. During this period, all types of lenders recorded 1,220,758 mortgages on urban property—12.5% more than for January-September, 1940. In dollar volume, recordings rose 17.6% above those of 1940. The Board likewise said:

> **Accounting for nearly one-third of the country's total mortgage recordings — up to $20,000 each—savings and loan associations again lead all classes of lenders with recordings aggregating $1,125,122,000 or 32% of the total. Banks and trust companies followed with recordings of $867,155,000, or 24.7%; and individuals comprised the third largest group, lending $579,738,000, or 16.5% of the $3,513,932,000 total.**
>
> **The size of the average mortgage loan continues to increase, say Bank Board economists, who point out that whereas 1939's average mortgage loan was $2,706, 1940's amounted to $2,755 —a rise of only $49—and that 1941 loans, now averaging $2,878, represent an increase of $123 over 1940 and $172 over 1939. Factors chiefly responsible for this steady upward trend are increased construction costs, mounting real-estate values, and the general use of higher percentage loans.**
>
> **The nation's urban mortgage recordings during September are reflected in the following figures which each month are compiled by the Bank Board's Division of Research and Statistics in cooperation with regional Federal Home Loan Bank presidents, savings and loan officials throughout the country, the American Title Association and the Mortgage Bankers Association:**

| | Number | Amount | Percent of total amount |
|---|---|---|---|
| Savings & loan assns. | 49,262 | $135,754,000 | 31.9 |
| Insurance cos. | 7,433 | 36,250,000 | 8.5 |
| Banks & trust companies | 31,001 | 100,712,000 | 23.7 |
| Mutual savings banks | 5,197 | 20,802,000 | 4.9 |
| Individuals | 34,982 | 70,377,000 | 16.6 |
| Other mtges. | 18,295 | 61,034,000 | 14.4 |
| Total | 146,170 | $424,929,000 | 100.0 |

## Curb Short Position

Total short position of stocks dealt in on the New York Curb Exchange for the month of October, 1941, reported as of Oct. 31, amounted to 9,664 shares as compared with 13,155 shares reported on Sept. 30 last, the Exchange announced on Nov. 10.

Five issues showed a short position of more than 400 shares. They were:

| | Oct., 1941 | Sept., 1941 |
|---|---|---|
| American Cyanamid Co. ("B" Non-Vt. Com.) | 1,032 | 100 |
| Atlas Corp. (warrants) | 558 | .... |
| Amer. Gas & Elec. Co. (Com.) | 1,096 | 2,508 |
| Cessna Aircraft Co. (Com.) | 510 | 61 |
| Phoenix Securs. Corp. (Com.) | 400 | .... |

## Pres. Roosevelt Authorizes Transfer Of Defense Supplies To Soviet Russia Under Lend-Lease Act

President Roosevelt on Nov. 7 authorized Edward R. Stettinius, Jr., Administrator of the Lend-Lease program, to take "immediate action" to transfer defense supplies to Soviet Russia under the Lend-Lease Act. This action followed the recent extension of $1,000,000,000 in lend-lease credits; referred to in these columns Nov. 13, page 1038. In a letter to Mr. Stettinius, the President said that he had found that the "defense of the Union of Soviet Socialist Republics is vital to the defense of the United States." Mr. Roosevelt also referred to his letter to President Kalinin of the Soviet Union congratulating him on his country's national anniversary and pledging "the United States to do everything possible to assist" Russia in its "struggle against aggression."

The President's letter to Mr. Stettinius read as follows:

> On Nov. 7, 1941, I addressed a letter to His Excellency President Kalinin in which I congratulated him upon the national anniversary of the Union of Soviet Socialist Republics and expressed the admiration of the people of the United States for the "valiant and determined resistance of the army and people of the Soviet Union," and the determination of the United States that the "sacrifices and sufferings of those who have the courage to struggle against aggression will not have been in vain."
>
> In that letter I assured President Kalinin "of the desire of the government and people of the United States to do everything possible to assist your country in this critical hour."
>
> In accordance with that pledge and pursuant to the power conferred upon me by the Lend-Lease Act, I have today found that the defense of the Union of Soviet Socialist Republics is vital to the defense of the United States.
>
> I therefore authorize and direct you to take immediate action to transfer defense supplies to the Union of Soviet Socialist Republics under the Lend-Lease Act and to carry out the terms of my letter of Oct. 30, 1941, to Premier Stalin (providing for the $1,000,000,000 credit).
>
> I should appreciate it if you would work out as quickly as possible details of this program with representatives of the Union of Soviet Socialist Republics.

## Corn Crop Forecast Higher – Yield Near Peak

The greatest corn crop in nine years, 2,675,373,000 bushels, is forecast by the Department of Agriculture in its Nov. 1 report of crop conditions. The estimate is nearly 50,000,000 bushels higher than that of a month earlier whereas trade expectations were for a slight decrease in the figure.

The crop as forecast compares with harvests of 2,449,200,000 bushels in 1940 and a 10-year average (1930-39) of 2,307,452,000 bushels. Farm stocks represent the bulk of the carryover of old corn, and when these are added to the crop it appears that this years supply of corn (excluding commercial stocks) will total 3,140,991,000 bushels compared with 2,997,825,000 bushels in 1940 and the 10-year average of 2,542,586,000 bushels. The current supplies are large by comparison with these figures and, in fact, have only been exceeded on a few occasions.

Consumption of corn, however, should also be heavy this year, for livestock numbers are approaching the previous peak and production of livestock and livestock products is reported to be now at a record level and still increasing. This is chiefly due to the government's expressed desire for increased output and the heavy government buying for shipment under the Lend-Lease legislation.

The yield per acre of the current crop is estimated at 31.1 bushels, second only to the 1906 yield of 31.7 bushels, in the 75-year period for which records are available. The high yield is attributable to the increased planting of hybrid corn which is estimated to amount to 37.2% of this year's average as compared with 29.9% last year.

Soy beans, virtually unknown as a domestic crop in this country up to 1921 when Eugene Staley organized his soy bean milk in Illinois and persuaded local farmers to plant the crop, are expected to be harvested in an aggregate of 111,300,000 bushels this year the largest crop so far, comparing with 79,837,000 bushels in 1940 and 91,272,000 bushels in 1939, the previous high. Acreage harvested of soybeans for beans, amounted to 133,000 acres in 1921 and will amount to about 5,920,000 acres this year. The earliest yield figures available are those for 1924 when only 11.0 bushels per acre were produced; this year it is estimated that the yield will amount to 18.8 bushels and it was as high as 20.7 bushels in 1939.

Mr. Staley forecast several years ago that soybean production in the United States would ultimately reach 200,000,000 bushels a year. The record to date indicates that he was not immodest in his prognostication.

## Restricts Cellophane Use

A ban on many uses of cellophane and similar transparent materials derived from cellulose was ordered on Nov. 7 by the Priorities Division of the Office of Production Management. The order, effective immediately, permits suppliers and their customers to use up existing stocks under certain conditions, allowing them 60 days to exhaust stocks now on hand. The OPM said that the limitation order was necessary because large quantities of chlorine, phenol and glycerine, chemicals vital to defense production, are used in the manufacture of cellophane. While the restrictions do not apply to food and tobacco products, the manufacture of cellophane for packaging a long list of items, including cosmetics, razor blades and soaps, is prohibited.

The OPM Priorities Division on Nov. 10 issued an order designed to conserve the supply and direct the distribution of phenols. This order, amending one issued Aug. 30, imposing a milder form of control, provides that on and after Dec. 1 no delivery of phenols may be made or accepted by any person, except as specifically directed by the Priorities Director.

## Auto Sales Below '40

Factory sales of cars and trucks in the United States in October totaled 374,600 units, according to preliminary estimates by the Automobile Manufacturers Association.

This showing compares with 234,255 cars and trucks sold in September and with 493,223 units in October, 1940.

For the first ten months of the current year, factory sales were estimated to have totaled 4,196,578 units, which compares with 3,498,435 cars and trucks sold in the corresponding period a year ago.

# LEGAL ODDITIES

### ALL FOR LABOR AND MATERIAL BUT BANK LOSES OUT

The bids had been opened, and Henry McAdam, the successful bidder, promptly approached the Sunnyside Bank.

"I want to borrow $100,000 to pay for labor and material on my contract on the Wilson highway,' McAdam said.

"That's quite a good-sized loan in the present condition of the money market," the bank demurred.

But McAdam was ready with an answer.

"Well, if you're not satisfied with my financial standing, you can't kick on the Amalgamated Surety Company. They gave a $200,000 bond to the Highway Commissioners to provide that I'd pay for all labor and material used in the work," the contractor urged.

"We'll look into it," the bank agreed, ascertained that such a bond had been given, and McAdam got the required loan.

"Put in McAdam's note that it's given for money advanced by the bank to pay for labor and material for the Wilson highway," the cashier directed.

Then, when McAdam failed to pay the note, the bank promptly threatened to sue the Amalgamated Surety Company.

"But you didn't supply any labor or material," the Surety Company argued.

"No—but we advanced money for that purpose, and it says so right on the note that he gave us," the bank retorted.

"That's a pig of another snout. If McAdam had got your money and failed to pay it over for labor and materials, we'd be bound to pay the workmen and materialmen, but we signed no bond to pay his bank loans," the Surety Company contended, and the Kansas Supreme Court held that the bank had no case.

"By loaning money to the contractor the bank acquired no interest in the claims of the individual laborers or materialmen. although the money was applied in the payment of their claims," said the Court.

## Liberty of Conscience

President Roosevelt, in a message to the National Catechetical Congress of the Confraternity of Christian Doctrine, held in Philadelphia on Nov. 14, said that the nation must defend "with every resource at our command" the priceless heritage of liberty of conscience.

The President's letter follows:

> The founders of this nation, who made beginnings along the Atlantic seaboard in far-away colonial days, were men and women who placed their faith in the everlasting reality of religion.
>
> True to the tradition of their fathers, the framers of our Federal Constitution guaranteed among our cherished freedoms complete freedom of conscience, which has been a source of happiness to us as a people through all the decades since the momentous decision was taken in the city where more than a century and a half later you are to hold your congress.
>
> It is for us to defend with every resource at our command this priceless heritage of liberty of conscience, which also carries with it freedom of education and the right of free assembly now denied over wide areas of the earth, where democracy has been trampled under foot.

# New York State Factories Continue To Show A High Level Of Employment In October

Industrial Commissioner Frieda S. Miller, in a statement released on Nov. 11, reported little net change in either employment or payrolls at New York State factories from the middle of September to the middle of October. Total employment rose 0.3% in the month, while total payrolls dropped 0.3%. Over the past 27 years, the average September to October changes have been small gains of 0.6% in forces and of 0.3% in payrolls.

Commissioner Miller's statement further said:

> The small net changes this October give little indication of the varied movements that took place at individual plants and industries. Several of the larger defense plants hired hundreds of additional workers. Some nonferrous metal and silk firms curtailed their operations as material shortages developed. Losses in the steel, miscellaneous wood products and baked goods industries were caused by strikes at individual establishments. Firms making goods for the Christmas trade expanded while large seasonal losses were reported by canneries, and clothing shops. In the airplane, instrument, wood products, rubber goods, baked goods, and cotton textile industries, wage rate increases at several plants resulted in increased average earnings. Drops in average earnings were more frequent than increases, however, since Columbus Day was observed by many firms during the reported pay period in October. For the total of all industries, per capita weekly earnings declined from $34.95 in September to $34.74 in October.
>
> Index numbers for October were 126.7 for factory employment and 152.1 for payrolls. These indexes are computed with the average of the three years 1925-27 as 100. Compared with October 1940, there were 27.1% more workers employed this October on a payroll that was 51.3% higher.
>
> The reports from 2,415 representative New York State factories were included in the preliminary October tabulations. These firms employed 605,617 employees on a total payroll of $21,041,474 for the middle week of the month. The Division of Statistics and Information, under the direction of Dr. E. B. Patton, is responsible for the monthly collection, tabulation and analysis of these data.
>
> **Good Gains Reported by Utica and Schenectady Factories**
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> As in the State as a whole, the movements among component plants in the industrial districts were particularly mixed this month. In the Utica and Albany-Schenectady-Troy areas, gains at defense plants were great enough to produce good gains in the totals. Utica firearms plants continued to expand and the nonferrous metal plants rehired workers as the shift from civilian to defense production was effected. Textile mills laid off workers, but several wage rate increases were responsible for higher earnings. In Schenectady, the large electrical and railroad equipment concerns resumed the mass hiring of new workers in October. Iron and steel plants in the Albany area rehired workers. Knit goods and shirt firms reported layoffs and a strike at one plant greatly reduced employment in the wood products industry. In Buffalo and Syracuse, many metal firms reduced their operations this month, but gains at several defense plants more than obliterated the losses. Wood and chemical products firms in both districts expanded. Paper and food products firms in the Buffalo area were busier. In the Binghamton-Endicott-Johnson City area, all firms except those making photographic supplies and baked goods took on additional workers. The large payroll gains at printing and furniture firms were particularly outstanding.
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> Except for the losses at clothing and millinery shops, most other New York City industries expanded during the month. The payroll loss was caused chiefly by the fact that many firms, particularly in the clothing, printing and fur goods industries were closed on Columbus Day. In the Rochester area, a net loss of 1.1% in forces was accompanied by a 0.7% payroll gain. Seasonal losses at canning, clothing and textile firms were responsible for the employment drop. However, large gains in payrolls reported by railroad equipment, leather products, electricity producing, glass and chemical firms more than offset the wage losses.

| | Sept. to Oct. '41 % Change | | Oct. '40 to Oct. 41 % Change | |
|---|---|---|---|---|
| City | Empl. | Payr. | Empl. | Payr. |
| Utica | +2.2 | +6.7 | +32.6 | +77.1 |
| Albany-Schenectady-Troy | +1.2 | +2.5 | +42.0 | +72.1 |
| Syracuse | +0.8 | +1.7 | +23.2 | +46.3 |
| Binghamton-Endicott-Johnson City | +0.6 | +1.6 | +14.4 | +54.3 |
| Buffalo | +0.6 | +1.3 | +32.9 | +56.7 |
| New York City | +0.5 | —4.3 | +23.3 | +37.9 |
| Rochester | —1.1 | +0.7 | +24.7 | +50.0 |

# Rayon Yarn Output In The United States During Third Quarter At Peak Level

Production of rayon yarn in the United States during the third quarter of 1941, for the fourth consecutive quarter, broke all previous output records, states the current issue of the "Rayon Organon," published by the Textile Economics Bureau, Inc., New York City. Output of domestic yarn for the July-September quarter aggregated 114,200,000 pounds. This total, says the Bureau, which exceeded the previous record of 112,000,000 pounds reported for the April-June quarter by only 2%, nevertheless was 23% greater than the production reported for the third quarter of 1940.

The new record, states the publication, was made possible by an increase in the output of viscose-cuprammonium yarns, for which a new high total of 73,400,000 pounds was reported, accomplished primarily by a further increase in the average denier of yarn spun. Acetate yarn production declined slightly in the September quarter as compared with the June quarter due to a reduction in the size of the average denier of yarn spun which in turn reflected the prevailing tight supply cnditions for some of the raw materials used in acetate yarn manufacturing. The announcement of the Bureau further states:

> Rayon staple fiber available for consumption (production plus imports) in the third quarter reached a record total 35,100,000 pounds, consisting of 34,100,000 pounds of domestically produced fiber and 1,000,000 pounds of imported staple. This combined total represents an increase of 13% over the previous record reported for the June quarter and is 81% greater than staple available for consumption in the third quarter of 1940.
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> This new record was due primarily to the marked increase in domestic production, the 34,100,000-pound total being 28% greater than the previous record level of 26,600,000 pounds reported for the June quarter. In contrast, the import situation continues to grow worse. A substantial part of the 1,000,000 pounds of foreign staple fiber available for consumption in the third quarter consisted of withdrawals from United States bonded warehouses rather than imports for immediate consumption. With many nations completely removed as potential sources of supply, the status of foreign staple in United States bonded warehouses has about been exhausted with no immediate prospect replenishment.
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> Shipments of rayon filament yarn to domestic consumers in October totaled 41,700,000 pounds as compared with 37,000,000 pounds in September and 36,700,000 pounds in October, 1940. Domestic shipments of rayon yarn for the first 10 months of 1941 aggregated 374,700,000 pounds as compared with 319,900,000 pounds in the corresponding 1940 period, an increase of 17%.
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> Stocks of rayon filament yarn in the hands of rayon producers as of Oct. 31 amounted to 5,300,000 pounds as compared with 4,900,000 pounds at the end of September.

# President Asks House Group For Early Anti-Inflation Taxes; Action Deferred

President Roosevelt appealed to the House Ways and Means Committee on Nov. 8 to promptly consider new taxes, which would become effective "within two or three months," to counteract inflationary pressures arising from the defense program; on Nov. 10 Chairman Doughton replied that his committee had voted to defer temporarily action on an anti-inflation tax program. Both letters were released by the White House on Nov. 10.

In his letter the President said that "if we are to prevent a further sharp increase in the cost of living and in the cost of the defense program itself we must take immediate steps to absorb a large amount of purchasing power through additional taxes and incidentally to pay cash for greater part of our defense production." He suggested that the taxes "be directed mainly at that part of the national income which is being devoted to the purchase of civilian goods and should be of a character that will not increase the cost of these goods." Representative Doughton, in his reply, agreed that "the dangers of inflation must be of immediate concern to all of us," but he added that the price control bill would require "the full time and effort of the entire membership of the House" for the moment.

Under date of Nov. 8 the President wrote Mr. Doughton as follows:

> I understand that the Secretary of the Treasury recently consulted with you and other Congressional leaders about the inflation problem and the urgency of prompt tax legislation to counteract the inflationary pressures arising from the Defense Program. It seems clear that if we are to prevent a further sharp increase in the cost of living and in the cost of the Defense Program itself, we must take immediate steps to absorb a large amount of purchasing power through additional taxes, and incidentally to pay cash for greater part of our defense production. We must remember that taxation is a necessary complement of price control legislation because the continuing effectiveness of price control is largely dependent upon the restriction of the demand for goods.
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> If these taxes are to restrain inflation they should be directed mainly at that part of the national income which is being devoted to the purchase of civilian goods, and should be of a character that will not increase the cost of these goods. Purchasing power so far exceeds actual and potential production of civilian goods that vigorous steps must be taken to reduce purchasing power more nearly to the level of production capacity.
>
> Inflation is itself a most inequitable type of taxation. It grants no exemptions and recognizes no hardships—though a well-drafted tax bill can do both. I very much fear that unless we start within two or three months to withdraw through taxes a larger part of the current national income an even greater part may evaporate through inflation, and the upward spiral may gain such momentum that it will be difficut to regulate, despite all efforts through price control and similar measures. I do hope you will be able to help us with this problem now.

Under date of Nov. 10 Chairman Doughton wrote the President as follows:

> Your letter of Nov. 8th subgesting prompt consideration of the taxation aspects of our inflation problem has been given my most careful attention.
>
> I agree with you that the dangers of inflation must be of immediate concern to all of us. In this respect, the present attention of the House is directed to the bill reported by the Committee on Banking and Currency on Nov. 7th and which will be debated in the House this week. It will require the full time and effort of the entire membership of the House, including the members of our Committee on Ways and Means, to perfect a bill of this character and magnitude.
>
> Last week Senator George and I met with Secretary Morgenthau to consider a Treasury proposal that taxation be used as a damper upon inflation. The Treasury representatives presented this proposal to our full Committee and after consideration of their arguments it was our conclusion that action on the Treasury proposel should be deferred temporarily.
>
> However, I realize fully that taxation is an important integral part of any anti-inflation program. While I cannot speak for the membership of our Committee, I wish to assure you of my own earnest desire, which I believe also to be the desire of my colleagues, to cooperate with you in an endeavor to find a practical and equitable approach to this problem.
>
> Senator George and I will be most happy, if you so desire, to discuss this matter with you and the Secretary of the Treasury at your convenience.

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